

DOCUMENT RESUME

ED 170 935

EA 011 716

TITLE The 1977 Seminar on Education Finance: Problems and Prospects in Education Finance. Proceedings of a Seminar (Ottawa, Ontario, April 4-5, 1977).

INSTITUTION Canadian Teachers' Federation, Ottawa (Ontario).

PUB DATE Aug 77

NOTE 114p.; For a related document, see EA 011 715. Appendix may be marginally legible due to print.

AVAILABLE FROM Canadian Teachers' Federation, 110 Argyle Avenue, Ottawa, Ontario, Canada K2P 1B4 (\$2.00)

EDRS PRICE MF01/PC05 Plus Postage.

DESCRIPTORS *Educational Finance; Elementary Secondary Education; Equal Education; *Finance Reform; *Financial Problems; Resource Allocations; Retrenchment; *School Funds; School Taxes; Seminars; Speeches; Teacher Associations

IDENTIFIERS Alberta; British Columbia; *Canada; Manitoba; New Brunswick; Newfoundland; Nova Scotia; Ontario; Prince Edward Island; Provincial Aid; Quebec; Saskatchewan

ABSTRACT

The theme of this seminar was the exploration of techniques and strategies for improving the funding of elementary and secondary education. The proceedings of the seminar included welcoming remarks by Michael Heron followed by the presentation "Problems and Prospects in Education Finance: Who Is Getting All the Money?" by Dr. Wilfred Brown. "Provincial and Territorial Concerns in Education Finance" were addressed by ten participants, including Mike Midzain on British Columbia, Douglas Trace on Alberta, Dr. Stirling McDowell on Saskatchewan, Art Toews on Manitoba, Grant Andrews on Ontario, John Vanderkaay on Quebec, Ken Gilliss on New Brunswick, Thomas Gaskell on Nova Scotia, James Elanchar on Prince Edward Island, and Thomas La Fosse on Newfoundland. Group discussions revolved around the question "What Strategies Are You Using to Counter Cutbacks and Other Problems and How are They Working?" Two panels addressed "Alternative Techniques and Strategies for Improving the Funding of Education in the Future." The first focused on "Needed Reforms in Education Finance" and the second on "Needed Strategies for Achieving Reform." A final panel discussion focused on the topic "Can We Agree on Common Approaches for Improving the Funding of Education? Priorities in Education for Teacher Organizations."

(JM)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *

ED170935

C-77407

THE 1977 SEMINAR ON EDUCATION FINANCE:
PROBLEMS AND PROSPECTS IN EDUCATION FINANCE

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY.

Proceedings of a Seminar
Held at
The CTF Building
Ottawa, Ontario
April 4-5, 1977

"PERMISSION TO REPRODUCE THIS
MATERIAL HAS BEEN GRANTED BY

CTF

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

Canadian Teachers' Federation
110 Argyle Avenue Ottawa, Ontario
K2P 1B4

AUGUST 1977

EA 011 716

INTRODUCTION

The CTF Advisory Committee on the Economics of Education for 1975-76 recommended that CTF hold an in-house seminar on education finance during the 1976-77 program year. The 1976 Annual General Meeting approved this proposal.

The reconstituted Committee for 1976-77, renamed the Politics and Economics of Education Committee to reflect a two-year emphasis on the development of political effectiveness, decided that the most urgent need in education finance was an exploration of techniques and strategies for improving the funding of elementary and secondary education and this provided the theme for the Seminar.

This report consists of the texts of presentations and summaries of group discussions provided by the discussion leaders. We believe that it provides a comprehensive overview of the problems and prospects for education finance across Canada and some very useful information about techniques and strategies which are being used by teacher organizations to combat recent retrenchment in financial support for education.

Wilfred J. Brown,
Director, Economic Services.

C O N T E N T S

	<u>Page</u>
<u>WELCOMING REMARKS</u>	
HERON, Michael	1
<u>PROBLEMS AND PROSPECTS IN EDUCATION FINANCE: WHO IS GETTING ALL THE MONEY?</u>	
BROWN, Dr. Wilfred	3
Summary of Education Finance in Canada, 1960-1975	11
<u>PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE</u>	
1. British Columbia	
MIDZAIN, Mike	29
2. Alberta	
TRACE, Douglas	35
3. Saskatchewan	
MCDOWELL, Dr. Stirling	37
4. Manitoba	
TOEWS, Art	41
5. Ontario	
ANDREWS, Grant	47
6. Quebec	
VANDERKAAY, John	49
7. New Brunswick	
GILLISS, Ken	53
8. Nova Scotia	
GASKELL, Thomas	55
9. Prince Edward Island	
BLANCHARD, James	57
10. Newfoundland	
LAFOSSE, Thomas	59

	<u>Page</u>
<u>WHAT STRATEGIES ARE YOU USING TO COUNTER CUTBACKS AND OTHER PROBLEMS AND HOW ARE THEY WORKING?</u>	
<u>(Group Discussions)</u>	
1. MCARTHUR, Dan	63
2. WALMSLEY, Don	65
3. VENNE, Réjean	67
4. REIMER, Art	69
<u>ALTERNATIVE TECHNIQUES AND STRATEGIES FOR IMPROVING THE FUNDING OF EDUCATION IN THE FUTURE</u>	
A. <u>Needed Reforms in Education Finance</u>	
<u>(Panel)</u>	
1. FERGUSSON, Norman	71
2. HYMAN, Dr. Charles	75
3. HENDERSON, Dr. Florence	81
B. <u>Political Strategies for Achieving Reform</u>	
<u>(Panel)</u>	
1. ORNES, Norman	85
2. PROULX, Janet	87
3. MACCALLUM, Ross	91
<u>CAN WE AGREE ON COMMON APPROACHES FOR IMPROVING THE FUNDING OF EDUCATION?</u>	
<u>Priorities for Teacher Organizations in Education Finance</u>	
<u>(Panel)</u>	
1. GOBLE, Norman	93
2. GORDON, Robert	97
3. BYRNE, Derry	101
<u>APPENDIX I</u>	
Summary of Seminar Evaluation Sheets	107

WELCOMING REMARKS

MICHAEL HERON
CTF President

Since 1974 the Canadian Teachers' Federation has had a policy on education finance. The opening sentence of this policy says, "The paramount goal of public education in Canada should be to give each person, regardless of any condition which causes variation in his or her individual educational needs, an equal chance to develop human potential through education." Excellent! It would be difficult to quarrel with the underlying philosophy of that opening statement. What is more difficult, however, is the implementation of such a philosophy.

Too often the financing of education is treated in very simplistic terms. Simple comparison of operating expenditures per pupil in various parts of Canada is hardly a relevant yard stick in measuring the quality of educational progress or the inequality in educational opportunity. \$1,000.00 per pupil in one part of Canada may give exactly the same quality education and equality of educational opportunity as would \$1,500.00 per pupil in a totally different region within Canada. In fact, using the latest statistics from Statistics Canada, Education, Science and Culture Division, I believe that it is even more difficult to make comparisons about educational opportunity and quality of education by using simple pupil expenditure figures. For example, for the fiscal year 1974-75, per pupil expenditure in Prince Edward Island was \$1,229.00 compared to the national average of \$1,270.00, or approximately 97 per cent of the national average. From those figures, can it fairly be inferred that educational opportunity is greater in Prince Edward Island than in Ontario? In fact, it is quite possible that \$1,229.00 in Prince Edward Island purchases far more educational services than does \$1,277.00 in the Province of Ontario.

Therefore, when we are looking at education financing by province we must look at far more than pupil expenditure. We must also look at per capita expenditure on education, total spending as a per cent of personal income for education, the amount of money which the province itself is spending for education, factors such as unemployment and the resources available in each province, plus many other yard sticks. The CTF philosophy is good, but I don't believe that we can advance it in simplistic terms; but when we go beyond simplicity in the realm of education finance it becomes extremely complicated for the layman such as myself.

The other serious question I have when it comes to equality of spending on elementary and secondary education concerns measurement of the rate of return. When we look at the latest statistics from Statistics Canada and see that there is very little difference from province to province, with the exception of Newfoundland, in expenditure per pupil

enrolled, can we really relate this expenditure to the quality of education which the pupils are receiving in each of the respective provinces? Within the Canadian context, has it been demonstrably proven that education finance is directly related to quality education? Are the pupils in Quebec getting a superior education to the pupils in Ontario because Quebec happens to be at the apex of spending for elementary and secondary education by pupil? Conversely, can we say that the pupils of Nova Scotia are receiving poorer educational services and less educational opportunity because per pupil expenditure is only 78 per cent of the national average?

In fact, I believe that comparisons relating to education finance and educational opportunity or quality of education are more and more difficult to make. It is true that in 1972 we could say that the Atlantic Region was spending only 72.4 per cent of the national average for expenditure per student, but by 1975 we see that this percentage has risen to 83.9 per cent of the national average.

Therefore, can we as educators continue using these statistics to advance our policy on education finance? Can we continue using these types of statistics to show that our goals and philosophies for education finance are not being met? Perhaps we should be more concerned about priorities within education finance -- seeing that the money which is available is spent in the wisest and most prudent fashion possible.

I believe that it is difficult to talk about education finance without talking about financial priorities. Surely we must be concerned if partisan politics set many of the financial priorities within our provinces. Surely we must be concerned with politicians climbing onto the latest educational band-wagons because it is politically expedient and using educational funds disproportionately because it appears to be politically popular at the time. What are our responsibilities as educators when it comes to setting priorities for the financing of education?

In these few remarks I hope I have stated some of the layman's concerns and views on financing education. Perhaps they are not concerns in your mind as people who work closely in this particular field, but it will be interesting to see whether any of these concerns and problems arise during this particular seminar. On behalf of the Officers, Board and staff of the Canadian Teachers' Federation, I wish you well in your deliberations, with the sincere belief that this is truly a challenging topic and one which is very worthy of the attention of our teacher organizations.

PROBLEMS AND PROSPECTS IN EDUCATION FINANCE:

WHO IS GETTING ALL THE MONEY?

DR. WILFRED BROWN
CTF Director of Economic Services

What I felt would be most useful to the participants both during the Seminar and later would be an analysis of the major variables of education finance over the past decade or two. In a dozen tables and a half-dozen pages of highlights, I have attempted to focus attention on the major trends which underlie both the achievements and the problems of education finance (see pp.11 - 28). Even if you disagree with my verbal ruminations you will have a valuable reference on education finance to take home. As you might expect, since I work at the national level, my remarks will deal mostly with Canada as a whole. Wherever possible, though, I have provided information by province and territory so you can see just how well or badly off your province is in relation to its neighbours or to the national average, at least in terms of financial commitment to education.

I plan to refer to this documentation within the framework of a brief discussion of some demographic, economic and societal factors which have led to restrictions on educational spending in most provinces in recent years. In conclusion, I plan to discuss the financial outlook for education and, in particular, the political prospects for further reduction of educational inequities in Canada.

In part, the rapid rise in spending for education in the late fifties and throughout the sixties was forced on us by rapid growth in enrolments and by higher retention rates. It was stimulated further by increased teacher qualifications, a greater variety of course content and an underlying conviction that large scale investment in education could ensure sustained growth and stability in the economy and alleviate a host of social inequities. This unparalleled expansion in the allocation of resources to public education was made possible by high rates of economic growth (Table 3: nearly six-fold increase in Personal Income in 25 years), by a rapid expansion in the public sector relative to the private sector (Table 4: 1950 -- 22.38% of G.N.P.; 1973 -- 39.04% of G.N.P.) and, within the public sector, by a relative decline in spending for national defence (Table 4: 1955 -- 6.17%; 1973 -- 1.76%).

The lack of major defence commitments, coupled with a reassertion of provincial rights resulted in federal-provincial developments which were also of crucial significance for education finance. Direct federal assistance, largely through shared-cost programs, assisted vocational training and higher education. Less obvious, but more important for elementary and secondary education, the federal government provided indirect financial assistance for education by making it possible for the provinces to increase their use of the income tax by partially

withdrawing from this field. These funds, released by the federal government, plus a much improved equalization program to bring per capita tax revenue of all provinces up to the national average, permitted the provinces to assume a much larger share of the burden of financing elementary and secondary education. In effect, the provinces acted as a pipeline through which federal funds were channelled into locally administered elementary and secondary education.

Beginning around 1970 in most provinces, the rapid rise in spending for education began to abate. While most students of school finance had recognized for some time that the rate of growth of spending for education could not continue to outstrip the growth of both national output and spending for most other public services, few were prepared for the kind of financial constraints imposed on most educational spending during the first half of the seventies.

The immediate reasons for the cutbacks were demographic. The demand for all social services ebbs and flows according to changes in the structure and distribution of the population. As the baby boom generation of the fifties moves from youth to old age there are inevitable waves of pressure and slack in the demand for every age-dependent service. As perhaps the most age-dependent service of all, elementary and secondary education has inevitably felt and will continue to feel the impact of these rapidly changing demographic forces.

Table 1 shows the pattern of relative educational need from 1950 to 1975. The population aged 5 to 19 in Canada, as a share of total population, peaked in 1970 and peaked in most provinces between 1965 and 1970. Between 1970 and 1975, it declined from 31.3 per cent to 28.6 per cent and will continue to decline for Canada as a whole at least until the early to mid-1980's. At the same time, the need or potential demand for postsecondary education as measured by the share of 20 to 24 year olds has continued to increase and will continue to do so for some years.

For the balance of this century and probably well into the next, the Canadian population will grow rapidly older. By 2001, the median age of all Canadians will be 35.5 years compared with 26.3 years in 1971. More significant, as an index of political behaviour, the median age of voters is expected to increase from under 30 in 1971 to about 39 in 1986 and 46 in 2001. In addition, the percentage of the population eligible to vote is expected to jump from just over 60 per cent in 1971 to about 76 per cent in 2001.

The peaking of elementary and secondary enrolments coincided with a slowing down in the rate of economic growth and some disenchantment with the so-called growth ethic. As well, there has developed a recognition that schools are not the only instruments for providing equal opportunities to the various underprivileged minorities and certainly not the

most direct instruments for providing equal incomes. In general, then, there has been a growing feeling that a broader approach to equality of opportunity should be tried and, in any case, that other social service expenditures should have a higher priority than they have had in the recent past.

These developments have been particularly painful and difficult for people involved in education to deal with for several reasons. The pressures for increasing educational spending have continued to grow since 1970, despite slight declines in total elementary-secondary enrolments. More important than the slight abatement in total numbers has been the shift in composition of enrolments in the direction of secondary education and various forms of special education where unit costs are higher than for the typical elementary student where the enrolment declines have occurred. In general, intensive and individualized teaching techniques have served to maintain upward pressure on unit costs. (See Table 9.)

As well, investment in educational research and development in the past decade or two have made possible many qualitative improvements in educational practice. Implementation of these improvements requires considerable resources. In the present atmosphere of unselective cut-backs which prevails in most provinces, these resources are often not being provided. On the other hand, where initial funding of new and innovative programs did occur, it is now more common to see funds curtailed before the program in question has come to fruition.

A third problem which makes a period of slow growth especially difficult, is the fact that educational objectives in Canada tend to be unclear and amorphous or, at best, unplanned. The abundance of resources and rapid economic growth of the past two decades have permitted tremendous quantitative expansion and improvement in educational provision with remarkably little explicit attention to rationale, goals or priorities. In this connection, the OECD Examiners' Report, based on a comprehensive review of Canadian education by an international team in 1975, makes the following observations:

... Canadian education policy may be one of the least "politicised" in the world. Indeed, it is as if the attempt has been made in this field since the beginning to avoid party-political controversy at any cost. Study of the rather meagre Provincial Parliamentary debates on education reveals little evidence of political controversy in the realm of educational policy, except for some occasional recent debates on questions of financing separate and private schools. The political parties make few if any statements on specific educational matters and, except in the case of Quebec ... there is no clearly formulated concept of education policy set in the context of a comprehensive framework of general social policies. Reforms

in education are almost totally pragmatic, or so generally conceived ... that the opportunity for party political conflict is, for all practical purposes, excluded.¹

The essentially unplanned expansion of spending for education and the unpoliticized nature of educational policy-making renders education extremely vulnerable to wholesale spending cutbacks and policy reversals now that the economic conditions and public attitudes which gave rise to the initial commitments have abated. In addition, some provincial politicians, anxious to minimize the political costs of educational cutbacks and economies, have suddenly rediscovered local "autonomy" in education. During the sixties, when all those politically costless dollars were added to provincial coffers as a result of federal withdrawals from the income tax field and when educational expansion was still in vogue, most provinces were happy to expand the provincial share of local spending and reap the political benefits from the quantitative and qualitative improvements in educational systems.

Soon after enrolments peaked, however, we began to hear more talk about economies and restrictive measures to cut down the rate of growth of spending for education and much greater concern about other public needs and worries about upsetting the taxpayer. To appreciate the responses of most provincial governments to this apparent shift in mood, we must remind ourselves that the "law" of all successful political behaviour is to maximize credit for the benefits of public spending and to minimize the penalties for levying the taxes to pay for them.

It is also necessary to recognize that fundamental policy decisions in education, unpopular ones in particular, usually manifest themselves in changes in financial arrangements. Thus, the restrictive measures and economies to date have taken the form of budgetary ceilings on local spending, often accompanied by budgetary "reforms" which, in effect, transfer the political cost of specific educational cutbacks to local school boards. This strategy, often carried out to the strains of that old refrain about local "autonomy" in education, is simply the most expedient way of minimizing the provincial political costs of difficult and unpopular choices about programs and priorities by dumping them into the laps of local politicians.

¹Organisation for Economic Co-operation and Development Reviews of National Policies for Education: Canada (Examiners' Report) (Paris: OECD, 1976), p. 19.

GENERAL ECONOMIC AND SOCIETAL FACTORS AFFECTING SUPPORT OF EDUCATION

Economic Factors

Economic factors have to do with the growth and stability of the economy. They affect education in two major ways:

- (a) a healthy economy is necessary for adequate support of education in absolute terms;
- (b) a growing labour force is necessary to absorb the products of the educational system and provide one major element of political support for education, namely, rewarding work.

If either of these two economic prerequisites are absent or in question, support of education is likely to suffer.

Societal Factors

Societal factors consist of the human and cultural environment to which education must contribute and from which it must draw its moral and political support. Here, the issues and problems go far beyond education finance in the narrow sense. However, they affect it profoundly. If a gap develops between the expectations of society and the benefits it perceives from a service, then there is a reluctance to increase or perhaps even to maintain the necessary financial support. Such a credibility gap may have developed with respect to education. Education has certainly moved away from centre-stage as the major growth industry in the public sector; but part of this has been the result of natural or demographic trends already noted. While we may question its validity, there is obviously more concern about the value of education and quality of educational services in relation to the resources allocated than there was a few years ago. This poses an obvious problem for everyone involved in the enterprise and I think we ignore it at our peril.

At the very least there is a credibility problem which cries out for a public relations effort to raise public awareness of and appreciation for the value of education and for the importance of teachers in the enterprise. More fundamentally, it may be necessary to define and delimit the somewhat unclear and amorphous objectives of education and to devise ways to evaluate our success in achieving them. The lack of clearly defined objectives and policies and the lack of evidence concerning their success have made education particularly vulnerable to uninformed attacks and to politically expedient cutbacks in recent years.

I want to make a few remarks about the specific financial outlook for education. With regard to further large-scale increases in spending for education, these must come in one or more of the following ways: by increasing the size of the public sector; by a relative decrease in spending on other elements in the public sector; by increasing private participation in education.

The most dramatic increases in the size of the public sector are behind us unless, of course, there is a change from our dominant liberal-capitalist ideology. Large-scale increases in government's share of national output would require nationalization of the means of production and other fundamental economic and social changes which I do not believe are going to occur in the next decade or so. In fact, we could see some reduction in the size of the public sector in view of the apparent "shift to the right" in prevailing political and economic thought.

Concerning the possibility of a relative decrease in spending on other elements in the public sector, I have already indicated the widespread feeling that other social services should have a higher priority over education than they had in the recent past. Moreover, there is virtually no scope for further reduction in the share of total government spending on national defence. In fact, the establishment of a 200-mile off-shore fishing limit, the problems of defending northern sovereignty and the dangers of internal civil disorder lend support to arguments that national defence should have a higher priority in the future.

On the question of increased private funding for education by students and their families and by commerce and industry, I believe there are greater potential benefits from a return to more private funding of post-secondary education than most of us realize. One of the major trends of the past two decades has been the decline in spending for elementary-secondary education as a share of total formal education from roughly 78 per cent in 1960 to 64 per cent in 1975 (Table 7) mainly in favour of post-secondary education. Beyond question, most of this more rapid growth of post-secondary spending was fully justified on grounds of growing real needs, the developmental costs in particular.

In conclusion, I believe that there may be valid arguments for reversing this trend in favour of elementary-secondary education. We know that education bestows benefits to society and to the individual. It is also apparent that a progressively larger share of the benefits of successive levels of education accrue to the individual and that there is a bias in favour of upper socio-economic groups. It follows that a progressively higher proportion of public spending on post-secondary education represents a transfer from the relatively poorer people in society to the richer. If individuals, their families, and commercial and industrial interests were to bear a greater share of the costs of post-secondary education, then private costs would rise toward the level of social costs. Aside from taking some of the financial burden off the

public sector, hopefully in favour of elementary-secondary education where the social benefits are greatest, more private financing of post-secondary education might also bring about a closer relationship between the size and composition of graduating classes and the size and pattern of manpower demands in the economy. It would also alleviate the threat to academic freedom and independence implicit in heavy reliance by universities on a single source of financing.

The great challenge of private financing would be to devise a scheme that would not discourage students from poorer families, thereby defeating one of the goals of the whole exercise. Such a scheme would obviously have to be implemented with great care in order to provide equality of opportunity to benefit from the opportunities which post-secondary education permits.

It has been said that you can only equalize on a rising tide, referring to the political impossibility of taking something away from one constituency to give to another. In other words, political realities dictate that you can only equalize up and not down. After referring to some of the well-recognized disparities and the multiplicity of cultural and linguistic minorities in Canada, the OECD Examiners had this to say about the role of established power and influence on attempts to reduce educational inequalities:

... any discussion of inequality of educational opportunity must be conducted in the context of inequalities in economic circumstances and political influence. The relationship between inequalities in society is often clear and exceptionally difficult to eliminate, no less so in Canada than in other countries. The Examiners wish to avoid giving the impression that they believe that the problem of broad societal inequalities can be fundamentally solved by school-related measures only, though there is no doubt that they can often be palliated somewhat by educational opportunities. It complicates matters, too, to recognize that many of the school-related practices that reinforce societal inequalities have occurred and endure precisely because they serve certain economic and political interests. All the good will in the world among educators will not then suffice to eradicate such practices, for that requires a more profound change in the distribution of power in society and the goals which power is made to serve.²

²Ibid., p. 39 and 40.

This quotation is a reminder that school systems are almost solely manifestations of the political, economic and social interests of the societies that create and support them. It may be that schools and, by implication, the arrangements for financing them, can only change after the dominant political and economic values change and not before.

SUMMARY OF EDUCATION FINANCE IN CANADA, 1960-1975

HIGHLIGHTS

Relative Educational Need (Table 1)

(Definition: the share of the population who, by common consent, require education.)

1. The relative need for elementary and secondary education (i.e., the population 5-19 years old as a percentage of total population) peaked in 1970 for Canada and between 1965 and 1970 in all provinces. For both the Yukon and Northwest Territories, relative need may still not have peaked by 1975.*
2. The average decrease in relative need for elementary and secondary education in Canada was from 31.3 per cent in 1970 to 28.6 per cent in 1975.
3. The relative need for post-secondary education (i.e., the population 20-24 years old as a percentage of total population) decreased between 1950 and 1960 but increased ever since and has not peaked.
4. Interprovincial differences in relative needs for elementary-secondary and post-secondary education (as measured by the coefficients of variation) were quite small over the period 1955 to 1975 and seem to have declined slightly.

Relative Educational Burden (Table 2)

(Definition: the relationship of those enrolled in schools, to those whose productive efforts must provide for the schooling.)

1. The relative burden of providing for elementary and secondary education in Canada (i.e., enrolment as a percentage of the employed labour force) was greatest in 1966 (83.3 per cent). By 1975 it had declined to 66.7 per cent, approximately the same level as in 1955.
2. Interprovincial variations in the relative burden of supporting elementary and secondary education were quite low in 1966, 1970 and 1975, but slightly greater than those in relative need (i.e., 7.03 per cent compared with 5.14 per cent in 1975). In addition, interprovincial variations in burden have increased slightly.

*Note that most observations pertain to calculations made at five-year intervals. Observations based on calculations for all years might differ to some extent.

Financial Ability (Table 3)

(Definition: the ultimate pool of resources (current income or accumulated wealth) on which taxes may be levied. The broadest and most universally accepted index of relative financial ability is personal income per capita.)

1. In the twenty-five years between 1950 and 1975 there was a more than five-fold increase in the per capita personal income of Canadians (i.e., from \$1,040 to \$5,838).
2. There has been a gradual decrease in interprovincial inequalities in average financial ability as measured by personal income per capita (i.e., from 8.97 per cent in 1955 to 6.34 per cent in 1975).

Education Among Competing Services of All Governments (Table 4)

(Consolidated Expenditures: consist of the net spending of all levels of government after elimination of intergovernmental transfer payments to avoid double counting.)

1. Between 1950 and 1973 (the latest year for which consolidated expenditures were available) total spending of all governments in Canada increased from \$4,139 million to \$47,013 million or from 22.4 to 39.0 per cent of national output (G.N.P.).
2. Between 1950 and 1970 total spending for all levels of education (not available by level in this series) increased as follows:

	<u>\$ Millions</u>	<u>% of G.N.P.</u>	<u>% of Total Gov't Spending</u>
1950	442	2.39	10.7
1955	746	2.61	10.6
1960	1,577	4.11	14.6
1965	2,860	5.17	17.6
1970	5,993	6.99	19.1
1973	7,303	6.06	15.5

Between 1970 and 1973, total spending for education increased from \$5,993 million to \$7,303 million but decreased as a share of national output from 7.0 to 6.1 per cent. The only other major government service which decreased as a share of national output in this period was national defence (from 2.0 to 1.8 per cent) continuing a long-term downward trend.

3. Spending for Health and Social Welfare experienced steady upward growth from 1950 to 1973 (i.e., Health from 1.3 to 5.0 per cent of G.N.P. and Social Welfare from 3.5 to 8.3 per cent of G.N.P.).

4. Combined spending for the traditional social services of Health, Education and Social Welfare has increased as follows:

	<u>\$ Millions</u>	<u>% of G.N.P.</u>	<u>% of Total Gov't Spending</u>
1950	1,312	7.1	31.7
1955	2,134	7.5	30.4
1960	4,047	10.6	37.6
1965	6,287	12.4	42.4
1970	15,616	18.2	49.7
1973	23,350	19.4	49.7

Education Among Competing Services of Provincial and Local Governments
(Table 5)

1. In 1973 (the latest year for which consolidated data are available) provincial and local governments spent \$28,325 million or 29.66 per cent of personal income on all services. (Note: Personal Income is used instead of G.N.P. because G.N.P. is not available by province.)
2. The breakdown of total spending for Education in 1973 was as follows:

	<u>\$ Million</u>	<u>% of Personal Income</u>
Elementary and Secondary	5,132	5.37
Post-secondary	1,778	1.36
Special Retraining Services	160	0.17
Other	102	0.11
TOTAL	7,172	7.51

3. Total Spending for Health and Social Welfare in 1973 was as follows:

	<u>\$ Million</u>	<u>% of Personal Income</u>
Health	5,903	6.18
Social Welfare	2,992	3.13

4. Interprovincial variations in relative effort in support of Health, Education, Social Welfare and all government services in 1973 were as follows:

	<u>Coefficient of Variation</u>
Health	5.85%
<u>Education</u>	
- Elementary and Secondary	6.16
- Post-secondary	7.17
- Special Retraining Courses	45.02
- Other	<u>33.80</u>
TOTAL	6.33
Welfare	6.28

Clearly, interprovincial differences in relative effort for the "big three" social services is similar. However, interprovincial differences in relative effort are greater for levels of education than for elementary and secondary education.

Education's Share of Provincial and Local Spending (Table 6)

1. Total spending for education decreased as a share of total spending of provincial and local governments between 1970 and 1973 as follows:

	<u>1973 Share</u>	<u>Change Since 1970</u>
Elementary and Secondary	18.12%	- 4.05
Post-secondary	6.28	- 0.14
Special Retraining Service	0.56	- 0.05
Other	<u>0.36</u>	<u>+ 0.02</u>
TOTAL	25.32	- 4.22

2. The decline in relative importance of elementary and secondary education in provincial and local spending between 1970 and 1973 was more than proportionate to the decline in enrolments over the same period. Education's share declined by 4.05 points (from 22.17 to 18.12 per cent) while elementary and secondary enrolments declined by 3.63 per cent from 5,885,798 to 5,679,667).
3. Interprovincial variations in spending for education as a share of total provincial and local spending were low in 1970 and decreased further by 1973 (i.e., coefficient of variation declined from 5.13 to 5.01 per cent).

Sharing the Education Dollar (Table 7)

1. Between 1960 and 1975, spending for elementary and secondary education declined as a share of total spending on formal education from 77.86 to 64.41 per cent. This was largely due to the growth in spending for post-secondary education.

Sharing the Burden of Education (Table 8)

1. Between 1960 and 1973, the share of spending for elementary and secondary education derived from local sources of funds (property taxes) declined from 49.1 to 36.0 per cent with great variations in the pattern of decline by province. This drop in local funding was matched by an increase in provincial funding.

Financial Effort (Table 9)

1. Between 1960 and 1975, spending per pupil enrolled in elementary and secondary schools in Canada increased from \$284 to \$1,205 or by 4.24 times at the same time as financial ability measured by personal income per capita increased from \$1,656 to \$5,838 or by 3.53 times (from Table 3).
2. There has been a very substantial decrease in interprovincial differences in spending per pupil. In 1960, the range was from \$154 to \$402 with a coefficient of variation of 31.9 per cent for all provinces. By 1974, the range was \$855 to \$1,490 and the coefficient of variation had dropped to 15.5 per cent. The estimates for 1975 suggest a slight reversal of this trend but the data are not sufficiently reliable to justify a firm conclusion at this time.

Index of Relative Effort (Table 10)

(Definition: total spending on elementary and secondary education per pupil enrolled calculated as a percentage of provincial ability to pay as measured by personal income per capita.)

1. The index for Canada increased from 17.15 per cent in 1960 to 21.48 per cent in 1970, declining each year thereafter to 20.6 in 1974. It may have increased marginally in 1975 based on estimates.
2. Interprovincial variations in relative effort are quite small and declined slightly from 6.53 per cent in 1960 to 5.34 per cent in 1974.

Holding Power of the Schools (Table 11)

Note: Measures of educational output are scarce and unreliable. However, one crude measure of the success of a school system, interrelated with that of other socio-economic variables, is the success of the schools in holding pupils to the final year of high school.

1. There were very substantial improvements in the holding power of the schools in nine provinces (data for Newfoundland unavailable) as measured by the percentage of Grade 12 enrolment to Grade 2 enrolment ten years earlier. For Canada, the percentage increased from 50.5 per cent in 1965 to 71.5 per cent in 1974.
2. There has been a significant drop in interprovincial differences in the holding power of the schools. The coefficient of variation decreased from 34.8 per cent in 1965 to 20.2 per cent in 1974.

Summary of Relative Educational Need, Burden, Financial Ability, and Financial Effort for Canada, 1965 to 1975 (Table 12)

1. Educational Need
(school age population (5-19) as a share of total population)
Down slightly from 30.7 per cent in 1965 to 28.6 per cent in 1975.
2. Educational Burden
(elementary and secondary enrolment as a share of the employed labour force)
Down substantially from 83.3 per cent in 1966 to 66.7 per cent in 1975.
3. Financial Ability
(Personal Income per head of population)
Up substantially from \$2,091 in 1965 to \$5,838 in 1975 (increase by 2.8 times).
4. Financial Effort
(total spending per pupil enrolled)
Up substantially from \$397 in 1965 to \$1,205 in 1975 (increase by 3.0 times).
5. Relative Effort
(total spending per pupil enrolled as a percentage of personal income per capita)
Up slightly from 19.0 per cent in 1965 to 20.6 per cent in 1975 (but down from 21.5 in 1970).

Table 1. RELATIVE EDUCATIONAL NEED: School Age Population as a Percentage of Total Population,
by Province, Selected Years 1950 to 1975

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	N.W.T.	Canada	Coefficient of Variation ¹
<u>Population Age 5-19</u>														
1950	...	...	...	...	...	...	...	...	...	...	...	...	25.6	...
1955	33.4	30.0	29.2	31.6	29.7	24.4	25.9	28.9	26.9	23.4	23.6	31.1	27.0	5.47%
1960	35.9	32.0	30.5	33.8	30.7	26.5	27.9	29.6	32.1	23.0	25.7	30.9	28.7	5.60
1965	37.8	32.9	32.3	35.4	32.1	28.9	29.8	31.4	31.2	28.5	32.1	30.7	30.7	5.26
1970	37.2	33.4	31.8	34.5	32.2	30.1	30.4	32.3	32.7	29.3	31.2	35.2	31.3	5.12
1975 ^e	34.8	29.7	29.0	30.0	29.0	28.0	27.7	28.4	29.4	27.0	32.4	40.5	28.6	5.14
<u>Population Age 20-24</u>														
1950	...	...	...	...	...	...	...	...	...	...	...	...	8.1	...
1955	7.3	6.3	7.1	6.7	7.7	6.9	6.9	6.9	7.5	6.2	9.1	10.6	7.2	5.11%
1960	7.4	6.9	7.0	7.3	7.4	6.5	6.6	6.3	6.8	6.2	6.4	8.2	6.8	5.08
1965	8.1	7.1	7.6	7.6	7.8	6.5	6.8	6.7	6.6	6.5	5.7	5.6	7.0	5.21
1970	9.5	9.1	8.8	9.4	9.2	8.4	8.5	8.2	8.2	8.3	5.9	7.6	8.7	5.04
1975 ^e	10.2	9.2	9.3	9.8	9.8	9.3	9.2	8.9	9.3	9.1	7.6	8.4	9.4	4.97

¹Coefficient of Variation: standard deviation divided by the arithmetic mean. Excludes the Yukon and Northwest Territories.

Source: Statistics Canada, Estimated Population of Canada by Province at June 1, 1976.

Table 2. RELATIVE EDUCATIONAL BURDEN: Elementary and Secondary Enrolments as Percentages of Provincial Labour Forces, Selected Years 1950 to 1975

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	10 Provinces	Coefficient of Variation
1950	—	69.9	—	—	69.9	59.5	—	55.5	—	41.9	59.3	...
1955	—	86.9	—	—	63.7	64.2	—	64.2	—	56.2	67.0	...
1960	..	..	..	..	..	..	..	..	..	..	..	..
1966	121.2	81.6	86.0	90.9	76.3	69.9	75.1	76.3	85.6	70.1	83.3	6.42
1970	125.7	89.3	85.0	92.3	77.1	69.8	70.7	75.9	69.9	69.5	82.5	6.97
1975 ^e	104.1	64.7	69.5	73.1	60.6	57.0	57.8	61.2	62.8	56.1	66.7	7.03

Sources: Enrolment

Statistics Canada, Education in Canada, 1973, 1974 and 1975.

(Calculated from Enrolment in Elementary and Secondary Schools in Canada, 1971-72, pp. 34, 44, 50.)

(Calculated from Survey of Elementary and Secondary Education, 1948-50, pp. 27, 95, 108.)

Labour Force Statistics

Statistics Canada, Canadian Statistical Review, Nov. 1976, p. 54, Oct. 1971, p. 43, Jan. 1968, p. 17.)

(Calculations from Historical Labour Force Statistics, published 1976, pp. 35-42.)

(Calculations from The Labour Force, 1945-1958, pp. 150, 151.)

Table 3. FINANCIAL ABILITY: Personal Income Per Capita by Province, Selected Years 1950 to 1975

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon & N.W.T.	Canada	Coefficient of Variation
(Dollars)													
1950	530	573	774	730	894	1,261	1,055	867	1,046	1,272	..	1,040	8.76%
1955	719	670	1,000	894	1,172	1,619	1,279	1,205	1,352	1,671	1,483	1,355	8.97
1960	920	942	1,265	1,127	1,443	1,951	1,647	1,478	1,653	1,909	1,705	1,656	7.97
1965	1,238	1,257	1,562	1,431	1,830	2,436	1,961	1,883	2,028	2,377	1,683	2,091	7.50
1970	1,983	2,082	2,423	2,252	2,774	3,705	2,906	2,267	3,105	3,405	2,960	3,129	7.11
1971	2,180	2,143	2,668	2,518	3,040	4,006	3,217	2,754	3,413	3,707	2,962	3,425	6.99
1972	2,476	2,522	3,040	2,840	3,414	4,425	3,590	2,990	3,777	4,121	3,400	3,813	6.75
1973	2,802	2,974	3,255	3,132	3,865	4,908	4,150	3,941	4,416	4,702	3,742	4,322	6.68
1974	3,319	3,274	3,990	3,702	4,504	5,559	4,733	4,702	5,066	5,374	4,544	4,966	6.50
1975 ^e	4,027	4,008	4,625	4,498	5,312	6,431	5,635	5,971	6,064	6,272	5,678	5,838	6.34

Source: Statistics Canada, National Income and Expenditure Accounts, The Annual Estimates 1926-1974, Table 36.

Table 4. EDUCATION AMONG COMPETING SERVICES: Consolidated Expenditure of All Governments
by Function, Selected Years 1950 to 1973

Year	Defence and Mutual Aid	Veterans' Pensions and Benefits	Health	Social Welfare	Educa- tion	Transport and Communi- cation	Natural Resources and Primary Industries	Debt Charges	General Govern- ment	Protec- tion	Other ¹	International Cooperation and Assistance	Total
A. Millions of Dollars													
1950	607	210	232	638	442	474	192	464	863			17	4,139
1955	1,760	245	368	1,020	746	842	281	543	362	282	543	33	7,025
1960	1,534	296	841	1,629	1,577	1,451	567	817	532	448	1,006	82	10,772
1965	1,572	372	1,624	2,403	2,860	2,035	733	1,258	771	744	1,732	126	16,230
1970	1,725	409	4,224	5,399	5,993	3,247	2,089	2,618	1,973	1,354	2,120	289	31,440
1973	2,123	561	6,069	9,978	7,303	4,792	3,696	3,935	2,916	2,056	3,145	439	47,013
B. As a Percentage of Gross National Product²													
1950	3.28	1.16	1.25	3.45	2.39	2.56	1.04	2.51	4.67			0.09	22.38
1955	6.17	0.86	1.29	3.58	2.61	2.95	0.98	1.90	1.27	0.99	1.90	0.12	24.62
1960	4.00	0.77	2.19	4.25	4.11	3.78	1.48	2.13	1.39	1.17	2.62	0.21	28.08
1965	2.84	0.67	2.93	4.34	5.17	3.68	1.32	2.27	1.39	1.34	3.13	0.23	29.32
1970	2.01	0.48	4.93	6.30	6.99	3.79	2.44	3.06	2.30	1.58	2.47	0.34	36.69
1973	1.76	0.47	5.04	8.28	6.06	3.98	3.07	3.27	2.42	1.71	2.61	0.36	39.04

¹ Includes recreation and culture; labour employment and immigration; housing; foreign and international assistance; supervision and development of regions and localities; research establishments; transfers to own enterprises and other expenditure.

² The Gross National Product data on which these percentages were based are as follows (\$ million): 1950, 18,491; 1955, 28,528; 1960, 38,359; 1965, 55,364; 1970, 85,685; 1973, 120,438.

Sources: Statistics Canada, Consolidated Government Finance, selected years.
Statistics Canada, National Income and Expenditure Accounts, Vol. 1, The Annual Estimates, 1926-1974

Table 5. RELATIVE EFFORT IN SUPPORT OF COMPETING SERVICES: Consolidated Expenditure of Provincial and Local Governments
Shown as Percentages of Provincial and Personal Income, Fiscal Year Ended Nearest December 31, 1973

Function	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon and N.W.T.	Total	Coefficient of Variation
General Government	1.87	3.15	1.55	1.98	1.94	1.26	1.24	1.81	1.70	1.62	21.00	1.61	8.98%
Protection of Persons and Property	1.14	1.05	1.55	1.65	2.20	1.61	1.60	1.28	1.71	1.50	3.11	1.73	7.02
Transportations and Communications	5.10	5.60	4.01	4.86	3.88	2.63	2.72	3.64	3.20	3.10	8.41	3.23	8.17
Health	8.52	6.85	6.85	7.55	6.96	5.78	6.10	5.95	6.22	5.30	6.06	6.18	5.85
Social Welfare	4.14	3.69	3.05	3.24	4.18	2.60	3.26	2.73	3.00	2.80	4.05	3.13	6.28
<u>Education</u>													
- Elementary and Secondary	6.99	8.33	5.94	6.45	5.29	5.12	5.88	5.51	5.41	5.39	16.33	5.37	6.16
- Post-Secondary	2.76	2.05	2.45	1.80	1.92	1.81	2.09	1.67	2.52	1.25	0.11	1.86	7.17
- Special Retraining Services	0.56	0.97	0.23	0.59	0.30	0.13	0.01	0.08	0.04	-	1.66	0.17	45.02
- Other	0.10	0.05	0.30	0.07	0.16	0.07	0.02	0.02	0.09	0.11	0.01	0.11	33.80
- Total	10.42	11.41	8.92	8.90	7.66	7.12	7.99	7.45	8.05	6.75	18.10	7.51	6.33
Natural Resources	1.14	0.96	0.61	0.67	0.44	0.33	0.61	0.04	0.74	0.87	0.72	0.49	16.07
Agriculture Trade Industry & Tourism	1.82	2.64	0.83	0.95	0.62	0.29	0.72	1.02	0.76	0.31	2.39	0.52	27.33
Environment	0.84	1.95	1.24	0.91	1.01	1.21	0.75	0.69	1.33	1.38	2.13	1.14	10.05
Recreation and Culture	0.80	0.90	0.50	0.84	0.88	0.87	1.18	0.69	1.24	1.27	1.94	0.94	8.27
Labour Employment and Immigration	0.02	0.05	0.02	0.10	0.06	0.01	0.02	0.03	0.25	0.03	-	0.04	61.14
Housing	0.22	2.15	0.46	0.15	0.16	0.19	0.15	0.95	0.27	1.03	4.42	0.34	53.83
Debt Charges	4.85	3.43	3.33	2.51	3.02	2.14	1.83	1.83	2.08	1.11	3.64	2.30	12.63
Other ¹	1.75	0.60	1.02	1.14	0.15	0.48	0.65	0.63	0.47	0.58	3.11	0.48	20.86
Total	42.63	44.42	33.94	35.46	33.21	26.52	28.82	29.09	31.03	27.64	79.10	29.66	6.48

¹ Includes supervision and development of regions and municipalities, research establishments, transfers to own enterprises and other expenditures.

Sources: Expenditures -- Statistics Canada, Consolidated Government Finance, 1973, derived from pages 24 to 27.
Personal Income -- Statistics Canada, National Income and Expenditure Accounts, The Annual Estimates, 1926-1974, Table 1

Table 6. EDUCATION'S SHARE OF PROVINCIAL AND LOCAL SPENDING: Expenditures for Education, by Level, Shown as Percentages of Total Consolidated Expenditure of Provincial and Local Governments, by Province, 1970 and 1973

Level and Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	N.W.T.	Canada	Coefficient of Variation
(Percentages)														
Elementary and Secondary														
1970	16.00	19.32	20.10	22.08	21.86	23.67	22.51	21.35	20.47	21.12	23.14	15.70	22.17	5.37
1973	16.40	18.75	17.51	18.18	15.92	19.29	20.39	18.94	17.43	19.51	19.43	21.09	18.12	5.17
Post-secondary														
1970	5.84	6.33	6.62	5.26	4.64	7.04	6.20	6.21	10.38	6.37	0.58	-	6.42	7.49
1973	6.48	4.61	7.23	5.08	5.77	6.81	7.25	5.75	8.12	4.51	0.49	-	6.28	6.72
Special Retraining Services														
1970	1.89	2.27	0.64	1.73	0.77	0.68	0.02	0.10	0.24	-	0.10	0.93	0.61	38.38
1973	1.31	2.19	0.68	1.65	0.91	0.48	0.02	0.28	0.12	-	0.13	2.84	0.56	36.67
Other														
1970	0.85	1.12	0.90	0.52	0.11	0.30	1.69	0.51	0.25	0.25	0.08	0.07	0.34	29.31
1973	0.25	0.12	0.87	0.20	0.48	0.26	0.07	0.64	0.29	0.38	0.04	-	0.36	25.70
Total														
1970	24.58	28.04	28.26	29.59	27.38	31.70	30.43	28.17	31.34	28.92	23.90	16.70	29.54	5.13
1973	24.43	25.68	26.28	25.11	23.08	26.84	27.72	25.61	25.96	24.40	20.09	23.94	25.32	5.01

Source: Statistics Canada, Consolidated Government Finance, 1970 and 1973.

Table 7. SHARING THE EDUCATION DOLLAR: Expenditures for Elementary and Secondary Education as a Percentage of Total Spending for Education, by Province, Selected Years 1960 to 1975

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada ¹
1960	84.68	74.10	76.87	74.83	73.54	79.09	79.19	83.98	78.07	81.02	77.86
1965	72.36	73.34	62.10	64.66	71.21	71.69	74.40	74.79	68.29	73.67	70.92
1970	60.75	61.46	49.85	63.63	69.27	64.18	64.19	68.19	62.25	65.78	64.85
1971	59.96	60.75	52.88	69.79	70.07	63.47	67.48	67.97	62.44	66.42	65.52
1972	57.39	59.36	59.36	63.62	67.75	64.77	65.30	66.51	61.56	66.79	64.88
1973	63.78	61.72	60.07	64.29	67.81	65.00	66.69	67.26	64.45	66.86	65.52
1974 ²	63.13	66.92	58.50	67.80	65.74	65.15	65.66	67.96	63.15	67.54	65.03
1975 ³	62.95	67.57	59.44	66.87	63.69	64.50	65.44	67.09	65.13	68.01	64.41

¹Includes undistributed figures and figures of the territories.

²Preliminary.

³Estimate.

Sources: 1960, 1965 and 1970 -- Statistics Canada, Education in Canada, 1973, pp. 212-213.
 1971 -- Statistics Canada, Education in Canada, 1974, pp. 261-262.
 1972 and 1973 -- Statistics Canada, Education in Canada, 1975, pp. 355-356.
 1974 and 1975 -- Statistics Canada, Advance Statistics of Education, 1976-77, pp. 48-49.

Table 8. SHARING THE BURDEN OF EDUCATION: Percentage of Expenditures on Elementary and Secondary Education Derived from Local Sources of Funds, by Province, Selected Years 1960 to 1975

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	N.W.T.	Canada
1960	1.1	31.6	43.8	56.1	49.5	55.4	48.4	48.7	44.3	44.1	3.7	1.9	49.1
1965	2.1	32.0	44.6	65.7	41.5	44.6	43.9	46.3	42.2	44.1	7.4	1.8	43.0
1970	1.1	23.4	35.0	0.0	31.5	41.4	39.0	43.6	35.3	47.5	..	..	36.6
1971	0.8	27.0	42.4	0.0	38.4	41.6	43.1	49.5	39.4	37.7	..	3.1	38.8
1972	1.1	13.1	41.9	0.0	35.8	38.0	44.6	47.2	39.8	36.8	..	..	36.7
1973	3.4	0.0	41.7	0.0	35.9	38.7	45.4	44.7	38.0	35.3	..	..	36.0
1974 ^e	1.0	0.0	38.3	0.0	36.3	39.2	45.3	44.5	38.0	35.3	0.0	2.6	36.4
1975 ^e	1.0	0.0	40.4	0.0	36.3	39.1	45.3	44.5	38.0	35.3	0.0	2.2	36.4

^eestimated

Sources: Statistics Canada, Financial Statistics of Education, 1973-74, pp. 78-83.
Statistics Canada, Education in Canada 1973, p. 369.

Table 9. FINANCIAL EFFORT: Total Spending on Elementary and Secondary Education per Student
Enrolled, by Province, Selected Years 1960 to 1975

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada	Coefficient of Variation ¹
1960	\$ 154	\$ 167	\$ 356	\$ 205	\$ 276	\$ 338	\$ 311	\$ 365	\$ 402	\$ 388	\$ 284	31.9
1965	202	274	310	282	468	493	453	473	515	499	397	29.2
1970	413	527	564	597	782	910	704	655	835	734	672	22.5
1971	504	592	619	600	827	969	781	682	896	797	727	20.6
1972	574	648	690	686	885	1,048	876	757	969	876	801	19.1
1973	709	738	778	747	1,093	1,109	994	868	1,059	984	908	17.4
1974	754	961	950	823	1,018	1,235	1,132	1,006	1,195	1,154	1,023	15.5
1975 ^e	855	1,272	1,111	903	1,122	1,291	1,368	1,191	1,445	1,490	1,205	17.6

¹Excludes the Northwest Territories and the Yukon.

Source: Statistics Canada, Elementary Secondary Education Financial Statistics, 1973-74, p. 61 and corresponding reports for earlier years.

Table 10. INDEX OF RELATIVE EFFORT: Total Spending Per Pupil on Elementary and Secondary Education
Shown as a Percentage of Personal Income Per Capita, by Province, Selected Years 1960 to 1975

Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada	Coefficient of Variation ¹
1960	16.74	17.73	28.14	18.19	19.13	17.32	18.88	24.70	24.32	20.32	17.15	6.53
1965	16.32	21.80	19.85	19.71	24.89	20.24	23.10	25.12	25.39	20.99	18.97	5.73
1970	20.83	25.31	23.28	26.51	28.19	24.56	24.23	28.89	26.89	21.56	21.48	5.42
1971	23.12	27.62	23.20	23.83	27.20	24.19	24.28	24.76	26.25	21.50	21.23	5.17
1972	23.18	25.69	22.70	24.15	25.92	23.68	24.40	25.32	25.66	21.26	21.01	5.07
1973	25.30	24.82	23.90	23.85	28.28	22.60	23.95	22.02	23.98	20.93	21.01	5.72
1974	22.72	29.35	23.81	22.23	22.60	22.22	23.92	21.40	23.59	21.47	20.60	5.34
1975 ^e	21.23	31.74	24.02	20.08	21.12	20.07	24.28	19.95	23.83	23.76	20.64	6.01

¹Excludes the Yukon and Northwest Territories.

Sources: Derived from Tables 3 and 9.

Table 11. HOLDING POWER OF THE SCHOOLS: Grade 12 Enrolment Related to Grade 2 Enrolment Ten Years Earlier, Adjusted for Populator Movement, by Province, Selected Years 1965 to 1974

Province	1965	1970	1971	1972	1973	1974 ^P
Newfoundland	...	...	...	...	...	...
Prince Edward Island	42.3%	60.2%	52.4%	51.5%	50.5%	50.1%
Nova Scotia	32.5	52.7	52.0	53.4	51.7	53.9
New Brunswick	41.5	58.5	61.9	62.0	60.0	60.3
Quebec	29.4	62.9	71.2	73.6	78.3 ^P	80.1
Ontario	59.0	71.4	70.4	68.9	66.0	67.1
Manitoba	59.8	72.8	72.2	70.4	68.7	65.6
Saskatchewan	66.7	76.6	74.8	72.4	69.6	68.6
Alberta ¹	86.1	89.3	88.7	84.8	84.1	81.6
British Columbia	68.8	78.8	75.4	71.6	70.5	70.6
Yukon & Northwest Territories	...	31.2	33.2	37.9	47.6	40.6
Canada	50.5	69.8	71.5	71.0	70.8	71.5
Coefficient of variation ²	34.8	24.8	24.2	21.1	18.7	20.2

^Ppreliminary

¹The figures for Alberta are not strictly comparable with those for other provinces because the method of classification by grade differs from that of other provinces.

²Excludes the Yukon and Northwest Territories.

Sources: Statistics Canada, Education, Science and Culture Division, Education in Canada, 1973, 1974, 1975. Ottawa: Statistics Canada, pp. 361, 167, 150 respectively.

Table 12. SUMMARY OF RELATIVE EDUCATIONAL NEED, BURDEN, FINANCIAL ABILITY AND FINANCIAL EFFORT IN SUPPORT OF
ELEMENTARY AND SECONDARY EDUCATION, BY PROVINCE, 1965 AND 1975

Province	Educational Need ¹		Educational Burden ²		Financial Ability ³		Financial Effort to Support Education			
							Spending per Pupil ⁴		Index of Effort ⁵	
	1965	1975 ^e	1966	1975 ^e	1965	1975 ^e	1965	1975 ^e	1965	1975 ^e
Newfoundland	37.8%	34.8%	121.2%	104.1%	\$1,238	\$4,027	\$202	\$ 855	16.3%	21.2%
Prince Edward Island	32.9	29.7	81.6	64.7	1,257	4,008	274	1,272	21.8	31.7
Nova Scotia	32.3	29.0	86.0	69.5	1,562	4,625	310	1,111	19.9	24.0
New Brunswick	35.4	30.0	90.9	73.1	1,431	4,498	282	903	19.7	20.1
Quebec	32.1	29.0	76.3	60.6	1,880	5,312	468	1,122	24.9	21.1
Ontario	28.9	28.0	69.9	57.0	2,436	6,431	493	1,291	20.2	20.1
Manitoba	29.8	27.7	75.1	57.6	1,961	5,635	453	1,368	23.1	24.3
Saskatchewan	31.4	28.4	76.3	61.2	1,883	5,971	473	1,191	25.1	20.0
Alberta	31.2	29.4	85.6	62.8	2,028	6,064	515	1,445	25.4	23.8
British Columbia	28.5	27.0	70.1	56.1	2,377	6,272	499	1,490	21.0	23.8
Yukon	32.1	32.4	..	..	1,683	5,678	..	..	..	..
Northwest Territories	30.7	40.5	..	..			..	..	..	..
Canada	30.7%	28.6%	83.3%	66.7%	\$2,091	\$5,838	\$397	\$1,205	19.0%	20.6%
Coefficient of Variation	5.26%	5.14%	6.42%	7.03%	7.50%	6.34%	29.2%	17.6%	5.73%	6.0%

¹School age population as percentages of total population (from Table 1).

²Elementary and secondary enrolments as percentages of the employed labour force (from Table 2).

³Personal income per capita of population (from Table 3).

⁴Total spending on elementary and secondary education per pupil enrolled (from Table 4).

⁵Total spending on elementary and secondary education per pupil enrolled shown as a percentage of personal income per capita (from Table 10).

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

MIKE MIDZAIN
British Columbia

Major Principles

The BCTF position on education finance is predicated on two major principles:

1. That the provincial finance system should ensure equality of sacrifice on the part of all taxpayers and guarantee equal educational opportunity.
2. That education finance systems must coordinate allocation of revenues and the governance of schools to produce high levels of local interest and autonomy, maximum awareness of local educational needs and equality of educational opportunity.

Present System

The present system of education finance provides for a sharing of the cost of the basic education program by the provincial government and the local school board. Theoretically, the funds of the Province are provided on an equalized basis. Each district is provided with provincial funds on the basis of ability to pay as indicated by its assessment roll. Poorer districts receive a greater proportion of their budget in the form of provincial grants than do richer districts. The provincial share ranges from 0 per cent to 70 per cent of annual operating budgets.

To some extent the financial system attempts to provide for the principles of equality of educational opportunity for each child, and equality of sacrifice on the part of local taxpayers. But the present great variations in assessment throughout the province and in the value of assessment rolls create inequality. School boards in those districts with low assessment rolls must levy a higher mill rate to provide a standard of service similar to that provided in wealthier communities.

The financial system at the provincial level attempts to achieve equality of sacrifice in that the province requires all districts to levy a uniform mill rate. For the year 1977 it is 37.5 mills. Provincial grants are paid to districts on that portion of their approved budget in excess of the amount raised by the uniform mill rate. These grants are calculated at an average instructional unit dollar value (\$24,500 in 1977 for each unit of 20 students). Beginning in 1974, even those districts that were able to raise the entire approved budget using a mill rate less than the uniform mill rate were still required to levy the uniform mill rate. The excess funds so generated accrue to all other boards through the general revenue of the province.

The British Columbia system provides for a theoretically unlimited supply of money through the right of school boards to levy additional taxes for educational purposes, subject only to a two-thirds vote of the school board. Our teacher groups have been actively engaged in persuading school boards to exercise this right in the face of decreasing provincial support. However, this apparent advantage is offset by the negative political consideration at the local level and the opportunity for the provincial government to avoid its responsibility for providing the major cost of elementary and secondary education by hiding behind this provision.

Deficiencies in the System

In summary, financing is based on a system of provincial grants, supplemented by money raised through local school taxes, levied on real property. The property tax and its application in British Columbia, however, are subject to a number of deficiencies. One major deficiency is the unequal assessment practices throughout the province. The government is attempting to correct this deficiency, but at present there is no provision for taxing all property, including church and government property.

Another deficiency stems from the variations in the Province of British Columbia resulting from its geography, particularly its limited amount of arable land and diversity of resources. These variations have caused great inequities in the ability of citizens to finance elementary and secondary education through the property tax.

Local Control of Education

We have reviewed the kinds of taxes that might be applied, and conclude that a tax on real property, with appropriate amendments, is still the best kind at the local level. As long as we want a measure of local control of elementary and secondary education, we must expect some part of the cost to be borne locally.

The responsibility of school boards to determine and apply a local property tax helps to encourage all citizens to maintain an interest in education and has produced a variety of programs and services in individual districts. Unfortunately, the proportion of the cost of education that must be met locally and the variation in the ability of local boards to raise revenue inhibits their opportunity to establish programs required to meet local needs and to ensure equality of educational opportunity throughout the province.

Further complications occur when funds raised for public elementary and secondary schools are diverted to such other purposes as the provision of community health services, adult education and rehabilitative services. In this regard there is concern, too, that public funds may be directed as well to support private elementary and secondary schools. The funds raised for public elementary and secondary schools should be used only for that purpose.

The organization of British Columbia education into school districts provides the opportunity for a variety of approaches to educational services. At the same time, partial local autonomy and control offers a better hedge against uncertainties and mistaken judgments than could be made at one central level. In education, where gains from alternative programs are highly uncertain and difficult to evaluate, a multiplicity of judgments is more likely to include good decisions and to preserve and diffuse the best features of educational programs that have been developed in many local districts.

Provision for local autonomy provides a greater variety of approaches to fulfilling local needs than a system based on complete provincial control through full provincial funding.

Summary

The BCTF position can be summarized as follows:

1. That financial support for the public elementary and secondary school system be from a combination of provincial government grants out of general revenue and local property tax revenue, whose incidence is responsive to local school board administrative decisions.
2. That the provincial government progressively assume a greater share of the total cost of elementary and secondary education, and that an immediate objective be that by 1980 the provincial government pay 80 per cent of the total cost of elementary and secondary education.
3. That the application of the property tax include all currently exempt property, including church and government property.
4. That the property tax for a provincially determined basic education program be removed for all resident-owned property, including the residential part of family farms, and that the impact of the property tax for amounts in excess of the provincially determined basic program be significantly reduced by a system of basic exemptions or by use of such a device as the Home-owner Grant.
5. That public education funds be used only for public education.
6. That federal money be available to provinces for post-secondary education in the form of fiscal transfers that will interfere least with provincial priorities and provincial constitutional autonomy in education.

Recent Developments

We have recently had a report from a commission established two years ago to review all aspects of assessment and taxation.

The first of the commission's 75 recommendations is that local property taxes and provincial equalization grants should continue as the sources of public school funding but with the provincial grants increasing their share of the total over the next five years from 45 per cent in 1975 to 75 per cent. The commission gave two reasons, one of which affirms the rationale for school districts and locally elected boards of trustees:

"We are concerned to ensure that a meaningful sense of autonomy remains for school boards. Most of us believe that such autonomy now exists and all of us believe that for all practical purposes it would virtually disappear if the provincial government were to pay for the entire cost of the public education system. The fact that school boards have to raise some funds through taxation for which they are politically responsible both confers and restrains the freedom they have been spending. If all the funds came from the provincial governments the school boards would be making perpetual pleas for more provincial support safe in the knowledge that they did not have to face the political hazards of raising any of the necessary funds. We believe that such a situation would lead to deterioration in relations between school boards and the ministry of education. There would be an increase in the conflict which already exists to some extent between the legitimate demand of the provincial government for reasonable control over expenditure increases and the legitimate demands of school boards to expend their range of services."

The other reasons given by the commissioners for retaining property taxes as a source of education funds is that no other acceptable source of taxation is available.

Among other recommendations with a bearing on education finance were the following:

All property land and improvements should be taxed at 100 per cent of market value in order to achieve equity among taxpayers. Currently for school purposes land is taxed at 50 per cent of actual value and improvements at 37½ per cent although there are wide variations in the extent to which assessments reflect actual value.

The commission recommended that the same mill rate should apply to business and residential property but a special business tax should be assessed. At the present time, residential property is estimated to be assessed at 35 per cent of actual value while business property is close to 45 per cent.

Full taxes or equivalent grants in lieu should be paid on all federal and provincial properties in British Columbia. This would increase the tax base for those school districts which contain such properties and consequently lower for other property owners the tax rate required to finance spending above the basic education program.

All levels of local governments should pay taxes to those local governments in which their property is located. This means that schools would have to pay full municipal, hospital and regional district taxes, but would collect school taxes on municipal properties, hospitals and so on.

Provincial government should continue the present Home-owner Grant System to protect the poor and the aged or replace it with an education tax scheme.

As for non-governmental agencies which now are tax exempt, such as charitable organizations and non-profit groups providing housing for the elderly, the consensus of the commission was that they should pay taxes, but municipalities should have the right to return to them a grant of an equivalent amount.

Universities should pay taxes but they should come from the provincial education ministry, not from the limited funds of the universities themselves, the commission suggested.

No agreement could be reached on whether churches and private schools should be required to pay taxes or not.

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

DOUGLAS TRACE
Alberta

Adequate School Support Program

1. Difficulty in shifting from an historic position where provincial support is an aid or supplement to a local responsibility.
2. Provincial support for education has not kept pace with inflation. Between 1971 to 1976 inflation outpaced support by 30 per cent.
3. Despite a government promise to remove the burden of education from local property taxes, supplementary requisitions as a percentage of total expenditure has increased from 16.5 per cent to 18.4 per cent between 1971-72 and 1976-77.

Method of Disbursing Foundation Funds

1. A per pupil allowance makes no provision for differences in experience and training of teachers.
2. Foundation funds reflect declining enrolments but costs are not directly linked to pupil count.
3. Conditional grants are increasing, thus undermining local control.
4. Transportation grants are inadequate for costs.
5. Population shifts -- increase the use of transportation.
6. Construction of new schools are regulated to force maximum utilization of existing plant thereby increasing transportation costs.

Conflict between Teacher Welfare and Education Finance

1. Difficulty in presenting a program to improve educational funding which includes teacher salaries.
2. Difficulty in persuading teachers to move on a broad front for improving salaries, learning conditions and professional rights.
3. There is a possibility that negotiating grid increases is easier than selling quality education.
4. There is a danger that negotiators are less sensitive (removed from the classroom) to needs of education.
5. There has been a decline in learning conditions associated with educational finance over the past five years.

Education Finance at the Local Level

1. Spending of provincial funds at the local level as a part of education finance is as yet relatively undeveloped in Alberta.
2. Training of specialists in analysis of financial statements and local school board budgets is a real problem.
3. Use of economic consultants in Economic Welfare and Education Finance risks the conflict of interest between salaries and improvement in learning conditions.
4. Growth in bureaucracy siphons off funds needed in education finance.
5. Expenditures for new capital equipment or major renovations are charged to current expenditure instead of financing by debenture. This practice depletes working capital, increasing the need for short-term borrowing with resulting interest expense.
6. There is a bureaucratic tendency to charge overhead to schools in order to cover growth in overhead.

Need for a Policy on Inflation

1. Inflated costs are being met by decreasing the quality of education (increased class loads) in basic education.
2. Cost of education is being used as one facet of the "Back to the Basics" as an excuse to remove programs.

Education Finance in Alberta

	1971-72	1976-77
SFP as percentage of provincial funding (grants, etc.)	92.2%	84.0%
Supplementary requisition percentage increase	16.3	23.0
SFP and Grants	8.7	11.2
Supplementary requisition as percentage of total spending	16.5	18.4
Educational spending as a percentage of total provincial spending	24.2	17.3
Educational spending as a proportion of total provincial revenue	22.7	17.6
<u>Peace River</u> (Assessed value of a home 1000 sq. ft. - \$6000.)		
Supplementary requisition	\$100.	\$167.
<u>Edmonton</u>		
Same specs.	100.	344.

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

DR. STIRLING MCDOWELL
Saskatchewan

Authority

Foundation Grants Act, 1970. Regulations revised annually.

Source of Revenue

1. Provincial Government Grants
2. Local taxation.

Government Grants

1. Grants are based on basic program costs which are the sum of expenditures recognized for a school system for:

- (a) administration
- (b) instruction
- (c) plant operation and maintenance
- (d) non-capital furniture and equipment
- (e) non-capital renovations and repairs
- (f) interest expense and bank charges
- (g) special events transportation.

These recognized expenditures are translated into a per pupil grant which for 1977 is as follows: (1976)

	<u>City</u>	<u>Non City</u>
Kindergarten	567 (511)	580
Div. I & II	1034 (932)	1059
Div. III	1198 (1079)	1226
Div. IV	1452 (1308)	1484
Comprehensive	1623 (1462)	1623
Handicapped	1810-3623 (1631-3264)	1837-3105 (1655-3264)

2. In addition to the per pupil rates, grants are also payable for:
 - (a) tuition fees for purchase of educational services from other systems
 - (b) debt retirement for school facilities
 - (c) transportation costs
 - (d) handicapped students not residing at home
 - (e) salary of director of education or superintendent
 - (f) full time students in a bilingual program
 - (g) part of the down payment for capital projects
 - (h) declining enrolments
 - (i) sparsity of student population per square mile.

3. The grant to a school system normally shall not be greater than the amount required to balance the budget at the suggested level of expenditure with a local tax rate of 36 mills for non-city and 46 mills for city school systems.
4. The Minister of Education has the authority to approve grants over and above those to which a school system is entitled according to the Regulations under the Foundation Grants Act.

Some Problems in Education Finance

1. Teacher salaries which account for 57.26 per cent (1975-76) of school board expenditures on education are not determined prior to the time school boards must submit their budgets to the Department. Prior to 1977, government was prepared to adjust grants to meet increased salary costs resulting from negotiations. In 1977, this apparently will not be the case.
2. Dropping enrolments in rural areas and shifts of enrolments to cities (Saskatoon and Regina) have caused rural areas to either reduce subject offerings, cut staff, increase pupil-teacher ratios or a combination of the above.

Cities have experienced difficulties in closing low populated schools and obtaining approval for capital construction projects in fast growing suburbs, thus causing some transportation problems, overcrowding of classrooms, shift system operation, etc.

3. Insufficient consideration of such factors as teacher qualifications, program requirements and dropping enrolments in grant formula structure.

Budget Analysis

Each school system is required to submit a proposed budget for review by Department of Education officials. Regional superintendents usually act on behalf of the Department as review officers.

Costs of Education Borne by Government -- 1975-76

Government Grants	58%
Property Improvement Grant	14%
Total % Costs of Education borne by Government	72%

Materials and Tables*

1. Foundation Grants Act, 1970
2. 1976 Regulations under the Foundation Grants Act

* Copies of the materials and tables listed here are available on request from CTF.

3. Comparative Statement of Enrolment for all Organized Schools
4. Enrolments, Teachers and Schools, 1975-76
5. Teachers -- Average Salaries 1964-1975
6. School Grants
7. Revenue Fund Receipts and Disbursements
8. STF Policy on Education Finance

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

ART TOEWS
Manitoba

1960's

Maryland Type Foundation Program — basically sound with categorical grants for instructional salaries, supplies, maintenance, library, textbooks, etc., and 100 per cent of approved capital costs, debt service charges and buses.

20 per cent of the Foundation Program was financed through a provincially mandated mill rate on property with the remainder to come from provincial consolidated revenue.

The shortfall between local expenditures and revenue from the province was raised through a municipal special levy on property.

1970's

Grants towards teacher salaries, revised in 1967, remained frozen during the 1970's. Where this salary grant scale, based on teacher qualifications and experience, had met 80 per cent of teacher salaries in 1967, by the mid 1970's these grants covered only 50 per cent of teacher salaries. To remedy the inadequacies and inequities of the rapidly deteriorating Foundation Program the government introduced:

1. Per pupil grants:

\$18 - 1971; \$50 - 1973; \$56 - 1974; \$90 - 1975; \$100 - 1976; and \$125 - 1977.

2. Equalization Grants:

\$3-18 - 1973; \$6-36 - 1974; \$10-70 - 1975; \$20-125 - 1976; and \$25-215 - 1977.

3. Manitoba Property Tax Credit Plan:

1972 - 50 per cent of education taxes to maximum of \$50 for homeowners;

1973 - minimum \$50, maximum \$140, but maximum reduced by 1 per cent of taxable income and applicable to all property taxes, education and municipal;

1976 - minimum \$175, maximum \$300, but maximum reduced by 1 per cent of taxable income. Benefits applicable to all property taxes by homeowners and tenants.

In fact, a large percentage of government aid to education went into indirect aid specifically the MPTCP.

4. Declining Enrolments Grant:

\$350 per pupil to any division experiencing a decline in enrolment of more than 1 per cent (1976).

Problems

The biggest problem is the reluctance by government to update the Foundation Program.

1. The Manitoba Property Tax Credit Plan (MPTCP)

The MPTCP confuses the whole issue of expenditures on education. Money raised to meet one social goal, education, is redistributed through the MPTCP to meet another social goal, income redistribution. Taxpayers do not associate the reduction in all property taxes in June with the increased mill rate announced by school divisions in February and school boards became reluctant to introduce new programs.

2. Increasing Reliance on Property Tax to Finance Education

With categorical grants in the Foundation Program not updated annually, school divisions had to finance an increasing portion of their operating expenses through taxes on property. In 1976, 54.1 per cent of the total cost of education was generated from property.

3. Inequity

The wealthiest division can collect four times as much money per pupil as can the poorest division with each mill levied. Therefore, the spread in dollars between the divisions with the highest and lowest budgeted expenditures per pupil is increasing in spite of the government's "equalization program", i.e. \$663 in 1975 and \$740 in 1976.

Developments

1. Manitoba Teachers' Society

In December 1975, the Society completed its in-depth study on education finance and in March 1976 the Society adopted a new policy towards financing education:

A Model For the Financing
of Education in Manitoba

C1.03.(b)1 -- The following model illustrates the practical implications of the Society's general principles on education finance for Manitoba:

1. That the present system of meeting 100 per cent of the approved expenditures on transportation, debt service, capital and buses be continued.
2. That grants on operating expenditure be entirely block grants calculated on the percentage equalizing principle.
3. That the foundation mill rates continue to be used but be clearly identified as provincial taxes and a part of the provincial contributions.
4. That the province gradually increase the proportion of operating expenditures borne by the government from the 64.63 per cent in 1973 until it reaches at least 80 per cent by 1980.
5. That a more sophisticated method of determining the maximum approved expenditure for transportation be developed than a simple ceiling on dollars per transported pupil applicable to all students.
6. That either:
 - (a) A system of weighted pupils be developed and used in calculating balanced assessment per weighted pupil, taking into consideration the differences in the average cost of educating:
 - (i) secondary school students;
 - (ii) special education pupils;
 - (iii) occupational entrance pupils;
 - (iv) vocational pupils;
 - (v) pupils in small schools;
 - (vi) pupils in French-speaking and in bilingual schools;
 - (vii) pupils in small units of administration (higher administrative costs);

- (viii) pupils north of the 52nd parallel of latitude; and
- (ix) any other major class of pupils the cost of whose education is significantly higher than that of the modal elementary pupils and which is distributed unevenly among the divisions and districts.

OR

- (b) Balanced assessment per authorized teacher be used as the basis for calculating the rate of grant (and rate of local contribution) on operating expenditure where:
 - (i) authorized teachers be used only for the purpose of determining rate of grant;
 - (ii) The number of authorized teachers for secondary school pupils, special education pupils, occupational entrance pupils, and non-classroom personnel be based not only on differences in average class size and staffing ratios but also on measurable average differences between salaries of different categories of personnel where percentages of such personnel vary significantly from board to board; and
 - (iii) cost differences among other classes of pupils unevenly distributed among boards be eventually taken into account in the calculation of authorized teachers. (AGM, 1976, p.34.)

2. Manitoba Government

The increases in government assistance in 1977 (approximately 11 per cent) went into direct aid to school divisions through increases in the per pupil flat grant and the equalization grant rather than by way of tax rebates as in previous years.

The pupil teacher ratio for grant purposes was reduced from 28:1 in elementary to 23:1, but, at the same time, some of the categorical grants for administration were dropped in the elementary and the secondary sectors.

The government seems to be moving in the direction of the recommendations of the Minister's Advisory Committee on Education Finance (on which the Society has representation) and has referred to this Committee a request to study:

- (a) Power Equalizing
- (b) Transportation
- (c) Block Grants
- (d) Provincial Funding.

Teacher Concerns

1. Local Autonomy

With increasing emphasis on block grants will school boards be sophisticated enough to make wise decisions in the best interest of students? Will government support be sufficient to make local decision-making meaningful? Will the government through legislation or regulation ensure minimum satisfactory standards of education?

2. Declining Enrolments

According to school division statistics student population 1975-1976 decreased two to three thousand while teacher count increased by 40 to 50.

1974-75: minus 1842 pupils plus 71 teachers;
1975-76: minus 2348.7 pupils plus 54.3 teachers.

3. Provision for Children with Special Needs

The government has passed but not proclaimed Bill 58. The Bill states that a division is financially responsible for the education of all children within that school division. Teachers fear that integration of children with special needs into regular classes without adequate financial provision would be disastrous.

4. Elementary Preparation Time and Class Size

These are two priority items with teachers and will be more difficult to obtain if funding is inadequate.

5. Minister's Statement March 4, 1977

"Provincial programs of financial support for education in 1977 were developed with the general purpose of lessening increases in mill rates."

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

GRANT ANDREWS
Ontario

In Ontario we have two large public-supported education systems. We have a public school system and a public separate school system. The public school system covers elementary and secondary. The elementary may operate from Junior Kindergarten to Grade 8 and the secondary from Grades 9 to 13.

Our method of financing education in Ontario, in effect since 1969, is a variable percentage grant plan so that we will have equal opportunity for equal sacrifice. It is designed to incorporate the concept of local responsibility and equality of educational opportunity. At the elementary level a board of average wealth would receive support at the rate of 60 per cent; one of half average wealth would receive support at the rate of 20 per cent. So, theoretically, we have equality of educational opportunity in Ontario.

However, in order to control spending in Ontario, we have something called ceilings. As long as those ceilings are realistic and we spend within them we have equality. However, our ceilings at times are not realistic. Last year, I believe all our secondary schools were above ceiling. Once you go above the ceiling it is 100 per cent local spending. In our elementary panels, I believe, about two-thirds of our separate schools and about one-third of our public schools are above ceiling. So, we are greatly concerned about the realistic ceiling level.

Also, in terms of ceilings, for the past couple of years the government has attempted to improve program funding at the elementary level and each year they added an additional \$80 to their elementary ceiling. This year they discontinued that practice. So our elementary ceilings didn't escalate at the same rate they had up to this point in time.

We are concerned about the decline in the support of education by the province as related to the portion of the provincial budget delegated to educational spending. In 1973, 20.3 per cent of the provincial budget was devoted to educational spending at the elementary and secondary school levels. In 1976, that had shrunk to 15.6 per cent. We have different levels of support for the two different panels. A couple of years ago we had reached a level of support of 62 per cent, but it has been reduced to 60 per cent at the elementary level and 54 per cent at the secondary school level -- an automatic increase to the taxpayer without any change in educational programs.

We are faced with the problem of declining enrolments and shifting populations. We ran into a problem in putting up new buildings because in 1975 there was a capital approval freeze. All building projects that

had been approved up to this point in time for that year were automatically frozen and no new building was to take place without further government approval. That was done on a priority basis so perhaps buildings that were approved for construction a couple of years ago still aren't built due to the freeze.

Another problem we have is the unrealistic feature of the capital grant plan which calls for a 35 to 1 capacity factor in our elementary classrooms.

Very recently a number of curriculum changes have been instituted by the provincial government and we haven't had any indication of any additional resources in order to help implement these program changes. Dramatic changes in the level of education both at the elementary school level up to Grade 6 and in the intermediate division which covers Grades 7 to 10.

Also, in our plan we have things like weighting factors to take into account the differences in teacher qualifications.

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

JOHN VANDERKAAY
Quebec

Education in Quebec is increasingly financed by general provincial revenue. For example, in 1975-76, the property tax collected by the school boards represented only 24 per cent of the cost of elementary and secondary education, while in 1973-74, it represented 31 per cent of that cost and in 1970-71, 37 per cent. This year, the standardized rate of the school property tax was further reduced from \$1.05 to \$1.00 per \$100 assessed value. This brings the total reduction in the school property tax over the last five years to \$0.40 per \$100 of assessed value.

This change reflects the policy of the past Liberal government to have the cost of education paid by taxes based to a greater extent on personal income and at the same time allowing municipalities to increase their share of the property tax to finance their own programs.

This gradual reduction of the burden of school property tax in financing education is expected to continue under the new Parti Québécois Government since their election platform advocated the elimination of the tax. Recently published recommendation of the Bélanger report on taxation reinforced this trend. This, of course, will result in a corresponding increase in budget balancing grants paid by the government to make up the difference between standardized expenditure and revenue.

This in turn, despite statements by the former and present Ministers of Education to the contrary, will lead to a further reduction in the powers of the local school boards and more and more centralization.

Already, school boards have to go through a lengthy, complicated and time-consuming ritual of establishing and obtaining approval from the Department of Education for the annual budget.

Revenues of a school board are derived from the following sources:

- (1) Standardized school tax which as said earlier presently stands at \$1.00 per \$100 evaluation and represents approximately 20 per cent of the total revenue.
- (2) Statutory grants.
- (3) General revenues derived from the sale of specific services such as cafeterias, residences, rentals, school fees, etc.
- (4) Budget balancing grants for subsidized expenditures which are paid by the Department of Education to a school board to make up the difference between the authorized level of expenditures,

on the one hand, and the revenue which a school board derives from the standardized school tax, statutory grants and other general revenues.

Examples of subsidized expenditures are:

- (a) \$204 x number of pupils enrolled in kindergarten and elementary classes;
- (b) \$7.30 x the number of pupils at the elementary and secondary levels enrolled with the board who require transportation;
- (c) Application of the collective agreements between teachers and school board, support personnel, etc.

(5) Supplementary School Tax:

These are special taxes a school board must levy in order to finance budgetary items which are not eligible for budget balancing grants.

The way the school board allocates the budget becomes even more complicated. They are divided as follows:

(a) Authorized Expenditures

These are expenditures approved by the Department and which a school board may incur.

These can be subdivided as follows:

- (i) expenditures admissible for budget balancing grants; and
- (ii) expenditures not admissible for grants but which were authorized by the Department of Education. These expenditures have to be raised through the supplementary tax (cafeterias, transportation).

(b) Unauthorized Expenditures

These are expenditures which are not approved by the Department and which a school board may not incur.

The result of these complicated budgetary rules for school boards means that more and more of the decisions affecting all aspects of education are made by government technocrats.

Total of Financial Sources for Educational Expenditures

Local Government Taxation	475,000	10.0%
Provincial Government	3,200,000	73.9%
Federal Government	300,000	6.9%
Other Sources	<u>350,000</u>	<u>9.2%</u>
	4,325,000	100.0%

The provincial government's contribution amounts to approximately 30 per cent of the total provincial budget, and is only exceeded by the social services.

This equals about 10 per cent of Quebec gross provincial product.

We can expect that this proportion will be slightly decreased in the years to come due to the sharply declined enrolment figures in elementary and secondary schools.

Since 1960, Québec embarked upon a much-needed reform of its educational system. The result was that Québec devoted a higher proportion of its gross national product for this purpose than most other Canadian provinces. A necessary catching-up justified this effort over a number of years. However, the government now feels that we have caught up and that the increase in education expenses should now be brought more into line with that of the collective wealth. This change in the government's orientation is reflected in the budgetary guidelines for 1977-78.

Presently, 52 per cent of the total budget of a school board represents teacher salaries. The other 48 per cent in the budget represents expenditures in all other aspects. This includes administrative and support personnel salaries, maintenance, educational materials, transport, etc. For the school year 1977-78, these expenditures can only be increased by 4 per cent. Considering the administrative and support staff salaries are going to increase by at least 6 per cent and that the increase in the cost of maintenance and transport is most certainly going to exceed 4 per cent, this means that the school boards must reduce or eliminate services, programs, etc.

We do expect that in the coming years the rate of increase in educational expenditure will continue to be small as the government turns its priority attention to the introduction of new and improvement of existing social programs.

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

KEN GILLISS
New Brunswick

The tendency in New Brunswick to allocate a smaller proportion of the total provincial budget to education continues. The announced attempt by the Department of Education to define a "basic education program" and to refine the per pupil formula has resulted in a number of meetings and draft proposals almost totally without substance. It appears to many of us that this effort is faltering largely because education officials appear to be cutting the suit to fit the cloth. Although some laudable objectives have been outlined, they are neither new nor precise. It would seem that a "basic education program" in New Brunswick will continue to be what it always has been, namely, whatever a school or school district can offer the student, given its restricted budget and the current state of its facilities and resources. Unfortunately, both facilities and resources are shrinking -- and not just in keeping with current and anticipated reductions in enrolments.

Although politicians and the media constantly suggest that social services, health and education account for more than half the provincial budget, our studies of the estimates for 1977-78 recently tabled in the Legislature do not lead us to the same conclusion. Similarly, statements to the effect that education will take 26 per cent of the next budget appear to be misleading. Even when one adds the various accounts vaguely related to education, the total does not represent 26 per cent.

It is particularly disconcerting to have the Minister of Finance in his budget speech say that a basic goal of government is "to ensure that the government's share of Gross Provincial Product does not increase ... by reducing the growth in programs that are of lowest priority to New Brunswickers" and then proceed to show that funds which in a better age went to support people -- education, health, social services -- are now being diverted to support things -- roads, supply and services, business and industrial firms.

In any case, the fruitless attempt to create jobs by subsidizing industry continues -- so do the failures and losses -- while the trend to restrain education expenditures that began in 1973 continues and accelerates.

The so-called "formula budgeting" approach to allocating educational dollars introduced last year has in fact done what teachers maintained it would do: increase class size, decrease the variety and quality of programs offered, reduce opportunities for teachers to participate in professional activities, reduce the number of teachers employed and substantially increase the number of grievances under the Teachers' Collective Agreement.

Changes in the formula (which applies on a per student basis to most of the ordinary account), together with an anticipated decline in student enrolment, should bring about future deterioration in educational quality. Speaking of deterioration, the capital outlay for education will actually be reduced next year by 6.8 per cent, even though many districts have indicated that during the current year they did not receive adequate funds to look after normal repairs or replacement of furniture and equipment. In addition, many school buildings are old, crowded and hazardous with little or no possibility of improvement or replacement.

Although the budget speech and the estimates recently introduced in the Legislature point out that there has been a restraint on ordinary growth from 26.4 per cent in 1975-76 to 13.6 per cent in the current year to an estimate of 11.0 per cent in 1977-78, as far as we can determine, the actual increase in expenditures on education next year will be less than 6 per cent. This is in sharp contrast with an increase of 112.5 per cent for General Government, 108.1 per cent for the Executive Council and 48.3 per cent for the Department of Finance. A particularly shocking revelation is that 26.8 per cent of the total ordinary account will go to service the public debt. (Members of the opposition claim that even this figure is understated and that the government is actually borrowing to finance ordinary account expenditures.)

In view of the estimates, it is easy to see why the negotiation of a new collective agreement for teachers and some other public servants has been -- and continues to be -- so difficult. Given the fact that most of the ordinary account expenditures on education go to pay salaries and the fact that most other costs are increasing dramatically, such severe restraint can only result in additional cutbacks in the size of the teaching force and further reduction in the quality of educational services offered.

Even though teachers are concerned and are attempting to rally public support for improved educational quality -- or even to maintain the "status quo" -- they appear to be crying in the wilderness. The general "back to the basics" cry across the nation isn't helping the cause either, although it is perhaps less strong in New Brunswick than in some other provinces.

As last year's conference concluded, of course, our problems are largely political and political in the broad sense. The politicians believe that the public is disenchanted with education as a high priority goal and are taking advantage of the situation to push other goals. At the same time, the public appears to be getting more cynical every day about politics and politicians. The depressed economy, high unemployment and the general high cost of public services all contribute to our problems. Nevertheless, we must continue and intensify our efforts to regain general public support for the broad goals of education.

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

THOMAS GASKELL
Nova Scotia

The provincial take-over of the cost of education, announced some 25 times over an 18-month period, has not yet produced any dramatic changes in either the level of service or property tax rate. The cost-sharable items are, as of this year, paid by the province.

During the past few years we have worked under a cost-sharing system based on a report of the 1950's by Judge Pottier. That Foundation Program, which lasted some twenty years, had provincial cost-sharing ranging from a minimum of 27.5 per cent to over 90 per cent in some less affluent areas. It attempted to structure a system of grants which would equalize educational opportunities by comparing fiscal needs with property tax revenues available in the community for education.

While the Foundation Program was a giant step forward, its usefulness was gradually eroded by the Educational Assistance Committee. The EAC was able to gain complete control of the grant system by having authority to modify and change the actual amounts received by boards. This also means that every area is using a different Foundation Program. This control, directed by political persuasion, prompted many areas of the province to regard the committee as the Educational Resistance Committee.

As stated, the 100 per cent take-over of sharable amounts formally paid for by the property tax is new. What far-reaching effects it might have are unknown, but a per pupil grant and global budgeting may not be too far off. With Gerald MacCarthy, Graham Commission author, now Assistant to the Deputy Minister, and Carmen Moir as Deputy Minister, I think we can expect a "second coming" of Graham and his recommendations. How many and which ones are adopted will be crucial during the next 4-7 years.

Nova Scotia is also faced with similar types of problems confronting other jurisdictions across Canada. The public school enrolment, which peaked in 1970-71 at about 220,000 has been steadily decreasing, as projected by Zoltan Zsigmond at our 1975 Conference in Quebec City. However, the decline has, to a very large extent, been off-set by the increase at the high school level where we now have more students enrolled at grades ten to eleven than in primary - grade one. This combination has put pressure on available facilities at the senior high school level where the cost per student is obviously greater. Thus we are forced to pressure government for more funds while acknowledging a decrease in enrolment -- a situation which, where the economic tenor is not favourable, is extremely difficult.

During the past number of years, we have been undergoing a consolidation of areas, boards, schools, etc. We have come from a time when some 8,000 elected or appointed school officials administered the work of fewer than 4,000 teachers, to an age when government is examining the Graham Report which recommends eleven regional jurisdictions in a province which now employs 11,500 teachers. While the figure of eleven may be unrealistic, from a political point of view, the possibility of cutting the present 76 to 30 may be very realistic. Without a system of school committees, PTA or Home and School, the problem of local contact, input, or affiliation may be a very significant one in Nova Scotia. (School board costs are taking a significant percentage of administration allowance through travel, meal, and meeting allowances.)

Amalgamation of school boards, first discussed in the late 1960's, has come to three areas of the province. Whether or not we proceed with amalgamation a la Graham or some other version will likely be determined in the next three years.

The Program Planning and Budgeting System (PPBS) introduced in 1970 makes the Department of Education -- in theory -- one of the most efficiently run departments in the government. We were extremely pleased that we were about to have PP but we have been getting BS almost exclusively and as a result, the great expectations held have been somewhat diminished. (Less than \$4,000 has been spent on Program Planning.)

Greater interprovincial cooperation in the Atlantic region, demonstrated in the coordination of education for the handicapped, is evident. The good, the bad, and the ugly that will result from Ministers meeting on a regional or national level, will also become more pronounced in the not too distant future.

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

JAMES BLANCHARD
Prince Edward Island

We have in our province provincial financing of education. There is a foundation program. The money, as in New Brunswick, comes from the province through property tax assessment and the rest comes from equalization grants.

In obtaining revenue the government doesn't have to change the assessment rate for private property, but changes the house assessment. Each year your house is worth more than it was last year and this is how the government raises the revenue. It also looks nice in the legislature that the tax rate is maintained for another year.

In 1972, we changed from a system where we had four hundred school boards to one where we had five. We find it provides a much better system of education within the province. Our large board employs about 550 teachers, the smallest board employs 40, and the other three are around 350 to 400 teachers.

The foundation program operates on a formula basis in some instances, on the actual cost in others, and on board persuasion in other areas. For example, money for program materials within the school is really on a formula basis. You get so many dollars per student for purchasing the program materials for the new school. This is over and above the cost of textbooks or things of that nature which are provided free by the government.

Money for teachers' salaries -- the board hires the teachers and the government pays, regardless of what the salary budget happens to be. At the present time they can hire all teachers at the maximum at the highest category, if they so desire, and the government will pay.

Money for capital expenditures or maintenance and repairs and this type of thing is something that we have to convince the board or the government we need for buses or whatever.

Pupil-teacher ratio in the province is 19.3 to 1. That includes all persons except the superintendent and the assistant superintendent and a few program consultants who are provided inside the ratio for each board -- one program consultant for every fifteen hundred students. Also, child development class teachers and students are excluded from the ratio.

One major concern we have is that the government is going to increase the ratio. It has stayed at 19.3 to 1 since 1973 and the Minister announced recently that it would stay at that for next year.

Another concern we have is that there is, within the Department of Finance and the people who work for Treasury Board, a desire to move to global budgeting. Fortunately, at the present time, the people in the Department of Education are as opposed to this idea as we are.

We have a problem with declining enrolments. In addition, we have cut off the influx of people and immigration. There are fewer and fewer students going to school for one reason or another. We have a number of schools that are around 250 students and the biggest effect is that they are losing the service of specialists in subjects such as Music, French and Physical Education, and this is quite a problem in the small schools.

Another area that concerns us somewhat is the desire of school boards to have freedom to move money from major sections of their budget. Right now they can't change from maintenance repairs to another budget area. They want this control removed and the local home and school association would also like to see them have the control removed, but we believe it best that the control stay with government and not go to local boards for major decisions.

One concern of mine is that our government is now planning, particularly in the next three or more years, to introduce more vocational programs or more programs to keep students in school a little longer. Most of the programs they are planning to introduce require a lower student-teacher ratio, lower class size, than the regular academic classroom. There is no indication that they are going to go up in the ratio to provide for that so we have some fears that a teacher's class size at high school levels particularly will increase somewhat as we go to these programs unless we convince them to change the ratio.

The budget was introduced a couple of days ago and it would seem initially that there is a decrease in the percentage of the total budget that is going into education. For the past three or four years it has run around 28 or 29 per cent. The initial figures that we get on the budget is that this year it will be around 26 per cent, even though we have had an increase of about 13 per cent in the educational budget for this coming year.

The only other thing that concerned me was what Mike said this morning about Prince Edward Island's \$1230 per pupil buying more in P.E.I. than it would in Ontario I certainly hope nobody tells our government that because we have been telling them that we have to spend more to get at least what the minimum is in Ontario or another place.

We feel generally that over the last three years and this coming year things don't look too bad and that we are not that badly off in Prince Edward Island. We have maintained the position of let sleeping dogs lie. We haven't gone on the band wagon in the province over financing of education. We haven't made representations to the Minister and to the Premier. We try to do it very quietly and behind the scenes with some of the people in the Department. That has been fairly successful for us. Many of our teachers don't feel that they are getting a fair shake. They feel that 24 or 25 students in the class are too many, But when you compare it to the national scene it doesn't look too bad.

PROVINCIAL AND TERRITORIAL CONCERNS IN EDUCATION FINANCE

THOMAS LAFOSSE
Newfoundland

1. Operating Expenses

Government provides to each Board:

- (a) \$115 per pupil for maintenance and services
- (b) \$1000 per year on behalf of each specialist teacher
- (c) \$10 per pupil in special education programs
- (d) \$8 per pupil for library/resource materials.

Weaknesses in this formula:

- not enough money
- doesn't take into account variations throughout the province, e.g., costs of light and heat greater on Northern Peninsula; costs of administration greater in a geographically spread out board; costs of janitorial services vary.

Trend to have Government pay 100 per cent of fixed costs, e.g., costs of insurance, and have other costs covered by a reduced per pupil amount.

2. Local School Taxes

Local school taxes continue to be established throughout the province

- reverse trend being sold under the guise of local control and fiscal responsibility but meeting opposition in several areas of the Province because it leaves room for inequities in taxation -- poll tax and real property tax.
- There is a strong possibility that school tax authorities could be made up of unelected persons
- Administration costs are high, ranging from 15 to 40 per cent
- Collection rates vary from 40 to 95 per cent
- Tax loss worse in areas where the per pupil government grants are least effective.

3. Teachers' Salaries

Teachers' salaries are negotiated provincially and paid 100 per cent by Government Concern by Treasury Board personnel over this uncontrolled cost.

- Questioning - Deployment of teachers
- Level of qualifications required.
- Suggesting type of global budgeting.

4. Elementary and Secondary Education

Elementary and Secondary education has held its own over past five years. (See tables p. 62.)

5. (a) The fifties and sixties saw very rapid rise in educational spending due to a rapid increase in enrolments, higher retention rates, increased qualifications, a greater variety of course content and a conviction that education was good for the economy and would cure social inequities.
- (b) During the seventies, however, there has been a reaction against the escalating cost of education and moves have been made to adapt existing structures to this escalation. There has also been a re-ordering of priorities within the framework of Provincial Government financing. Control has moved to Treasury Board and decisions are made on a financial basis and not on educational merit.
- (c) The costs of education are increasing despite lower enrolments, mainly as a result of increasing teachers' salaries, lower ratios and improved qualifications of teachers. The Provincial Government, however, is increasingly sensitive to the real burden of taxation and is hesitant to increase taxes at this point in time.

6. Federal-Provincial Financing Arrangements

Effects of new federal-provincial arrangements regarding the financing of post-secondary education:

- Increased competition for scarce dollars
- Doesn't help the poorer provinces.

7. Effects of Anti-Inflation Program

- Moderate differences between teachers and their employer(s)
- Government
- Convenient Whipping-Boy.

8. Budgetary Process Under Pressure

- NTA has had greatest input through collective bargaining
- Restraint, cutbacks
- Assistant Deputy Minister from Treasury Board to Department of Education.

9. Message Must Be Constantly Put Before Public and Politicians

- Must lead way to ensure there is quality and equality in education
- Education still good investment, it was in sixties; we must re-impress this fact on both our own members and the general public.

10. NTA Committee on Education Finance

(a) Terms of Reference for the Committee

- (i) To advise the Executive Council on all matters of educational finance.
- (ii) To prepare economic and statistical studies on educational finance.
- (iii) To suggest ways and means by which the Association may influence educational finance policies.
- (iv) To develop data and procedures for informing the general public of educational goals and objectives and their financial implications.
- (v) To commission at the request of the Executive Council, or delegate to ad hoc groups, educational finance studies and specify the terms of reference for such studies.

(b) Short Term Objectives

- (i) To survey some of the more recent Teacher Organization Data.
- (ii) To cull relevant concerns, especially from the experience of the NBTF experience with global budgeting.
- (iii) To familiarize ourselves with current Government spending (generally) and make projections (in light of trends and of recent appointment of Mr. Samsone as Assistant Deputy Minister of Education, for Finance.)
- (iv) To develop recommendations for NTA.
- (v) To set up a sub-committee for a Seminar (for Executive) on Education Finance.

Gross Expenditure for the Province of Newfoundland

Year	Elem. & Sec. Expenditure	Total Education Expenditure	Total Government Expenditure
*1976-77	185,721,700	264,319,000	1,041,136,500
1975-76	157,952,700	234,537,400	929,397,000
1974-75	135,793,600	197,563,200	752,708,000
1973-74	106,122,100	158,620,220	643,293,097
1972-73	89,347,252	135,865,547	588,320,328

*Estimate

Expenditure on Elementary and Secondary Education

as a Percentage of

	(a)	(b)
	<u>Total Expenditure on Education</u>	<u>Total Government Expenditure</u>
1976-77	70.3	17.8
1975-76	67.3	17.0
1974-75	68.7	18.0
1973-74	66.9	16.5
1972-73	65.8	15.2

EXPENDITURE ON EDUCATION AS A PERCENTAGE OF

TOTAL GOVERNMENT EXPENDITURE

1976-77	25.4
1975-76	25.2
1974-75	26.3
1973-74	24.7
1972-73	23.1

1977-78 Budget due the end of this month

WHAT STRATEGIES ARE YOU USING TO COUNTER CUTBACKS AND
OTHER PROBLEMS AND HOW ARE THEY WORKING?

(Group Discussions)

GROUP ONE REPORT BY

DAN MCARTHUR
Member

CTF Committee on the Politics and Economics
of Education

Group 1 spent a considerable amount of time on the staffing issue. Essentially what came out of that portion of our discussion was that the membership of the various organizations be educated as to what is a useful measure of staffing and, having established this, whatever the technique and whatever the procedure, that information with regard to staffing problems be brought to the decision-makers.

There was a suggestion for attracting resources to education in the area of shared-cost programs. Where the government is prepared to pay 60 per cent or 50 per cent or 80 per cent of a particular program, some local jurisdictions don't even take advantage of that shared cost. Through educating the public of the available funds it is sometimes possible to attract greater resources to education.

Another suggestion was made with regard to comparing what people are prepared to spend on automobiles, tobacco, etc., with what they are prepared to spend on the education of the young people in the province.

The group talked about contacting the members of the legislature. We discussed a variety of ways that this can be done, including face to face functions, whether it be social or in a meeting situation: attending various political party annual meetings, encouraging teachers to run for various political offices, and encouraging teachers to become influential within riding associations.

The suggestions I have been relating to you are ones that have been tried. There has been some success registered by some groups in stressing the fact that individualization by definition requires favourable staffing arrangements.

One of the points that was raised, and this seemed to be more important in provinces which have provincial negotiations, was the quality of the relationship and the nature of the relationship between the parties and the government. There seemed to be a feeling that with some governments a rational approach was remotely possible while with others it was totally out of the question. The comment was made -- this is particularly true in provinces where there is local negotiation -- that in fact you are going to get the resources directed to education

which you negotiate. The example was given in Ontario that where there are local negotiations, if you were successful in negotiating the board into a position where they were in excess of the government's suggested levels of expenditure, you could encourage the provincial government to direct more funds towards education.

Finally, one that has not been but is in the process of being tried was to take advantage of the "back to the basics" thrust currently in vogue, to seize the offensive and have a commission or some sort of public investigation sponsored by teachers to assess its validity. From that investigation, isolate items in areas which need change and additional resources and take your concerns to the people that disburse those resources.

WHAT STRATEGIES ARE YOU USING TO COUNTER CUTBACKS AND
OTHER PROBLEMS AND HOW ARE THEY WORKING?

(Group Discussions)

GROUP TWO REPORT BY

DON WALMSLEY

Member

CTF Committee on the Politics and Economics
of Education

First of all we talked about the various levels which had to be influenced. We began with the provincial level and the following points were made. Some kind of contact with governments had to take place whether it was through briefs, representation to government, publicity to put pressure on governments, including lobbying, and so on. One which was tried and seemed to have some considerable support in various areas, particularly in Prince Edward Island, was the involvement of parents and trustees in lobbying the provincial government. It seems to have had considerable success.

At the local level, it was felt that there was a necessity for budget information both at the local district and at the school level in order to have meaningful input into decisions made on how money was spent and also to influence the amount of money which ended up in the budget. There was some useful information exchanged on the bargaining which grows out of that and the kind of case preparation which is done. What you need and why you need it. How to put it together so that you can get more than in the past. Contracts, layoffs, class size and so on were also mentioned.

One which was tried in a few areas in New Brunswick and Alberta and to a lesser extent in British Columbia, has been the grievance route, both on contractual items and on items which are not in the contract. In the case of Alberta, they had at least one board agree that items which are of long-standing policy, which have been changed but are not in the contract itself, can be arbitrated. That may be a breakthrough to use depending upon labour legislation in the different areas.

One other area of influence is the membership. There is a necessity to gain membership support, because too often it would appear that the members don't have a concern until things are very grave. Perhaps some provision of information in a useful form would help.

Various areas use temporary contracts in varying ways. In the case of Alberta, temporary contracts have been used to put everybody in first year on temporary and then to hire back those whom you need to replace.

In Prince Edward Island teachers were told that there were going to be temporary contracts but the PEITF was able to fight that off. In New Brunswick temporary contracts are used, but only to replace teachers who are on a leave of absence. This is similar to what happens in British Columbia -- they are only there to be used for positions which will be determined in the year.

The BCTF program has focussed on the pupil-teacher ratio reduction on the class size struggle. We have reduced the pupil-teacher ratio over the last four years from 22.68 (which was one of the highest in Canada) to 18.61. That has meant a net increase of 5,000 teachers in the province -- two teachers out of every eleven over a four-year period. That particular campaign was sustained through the use of statistics -- case presentations to school boards. Every one of the associations made a presentation to their school boards and those were successful. This year we had something like 40 presentations, the greatest response we have ever had from our local associations. That was 40 out of 75 districts -- slightly over half. The cases which were made had significant impact on the rest of the province.

If you have a chance to go through the statistics book which we handed out and through the indicators of quality chart you will see that what we have done is point out the districts which have low pupil-teacher ratios and the districts which have high pupil-teacher ratios, the ability to pay, elementary, intermediate, primary, and secondary class sizes, number of administrators, number of librarians, number of counsellors and so on. We have put those on a chart which breaks it up into various areas. The chart is colour-coded. The red is very bad and the green is very good. If the district shows up consistently in the red, we then make the case that they should be providing more money and more services to improve the quality of education. We compare them to the rest of the districts and therefore they should certainly be able to do better than what they are right now. It is the same whip-saw technique which I am sure everybody uses in negotiating salaries. It is especially useful in a province such as ours -- and I would think one like Ontario -- where you deal with local school boards as opposed to the provincial government.

With provincial governments, if you want to use the same kind of case, you would have to make comparisons between provinces as opposed to comparisons between districts. We have a second chart which talks about the schools and simply shows where each school is in terms of pupil-teacher ratio. We find an immense discrepancy in schools which are between 200 and 300 students where some have a pupil-teacher ratio of 25 to 1 and others have a pupil-teacher ratio of 15 to 1. You may find the same kind of thing happens in your provinces.

WHAT STRATEGIES ARE YOU USING TO COUNTER CUTBACKS AND
OTHER PROBLEMS AND HOW ARE THEY WORKING?

(Group Discussions)

GROUP THREE REPORT BY

REJEAN VENNE
Ontario

The group felt that we should use the public to our advantage. We should make the public aware of what is going on in education. One example that was cited was the campaign in Quebec to show the people that education was important. They referred to bargain basement education. Show the people that you can't get away with two bucks or with a bargain. You have to spend money if you want quality education.

Around election time is an important time to get our Members actively involved either in becoming elected themselves or trying to influence the people who will be elected.

Another strategy is to protect ourselves with salary agreements by including clauses for PTR or other working conditions, class size and so on.

Membership reaction was one good strategy which is sometimes regarded as being too late once the deed has been done or once the bill has been passed. In Ontario we found a one-day strike to be very effective.

Each affiliate can exert a certain amount of influence on the Members of Parliament by having their members present at the various meetings to follow everything that goes on so they can inform the membership. When all of the membership is informed of what is going on then surely they can be in contact with the people making the decisions.

We could use the provincial federation as well. In Ontario we have an educational finance committee which prepares briefs regularly on various topics such as ceilings, grant per pupil for the coming year, level of support, and so on, so there is a direct and continuing contact between the Federation and the Ministry of Education.

Lastly, one province told us of a formal system of input that had been set up in their province which tries to influence the decisions before they are made. It is a Ministers' Advisory Committee and is composed of teachers, superintendents, trustees, MLA's and school business officials. This type of committee would make suggestions before decisions.

WHAT STRATEGIES ARE YOU USING TO COUNTER CUTBACKS AND
OTHER PROBLEMS AND HOW ARE THEY WORKING?

(Group Discussions)

GROUP FOUR REPORT BY

ART REIMER

Member

CTF Committee on the Politics and Economics
of Education

The problem was raised that, when you are attempting to look at education finance policy, the public has certain expectations and certain limitations. They have certain things they want to see accomplished. Teachers may have very different expectations and when the organization is looking at an overall program, you may have some difficulty having credibility with both groups. You have to make some decisions. There was some agreement in our group that our primary function as teacher organizations is the welfare of the teachers. These are the teachers and those are the primary needs, although it does not mean we have to ignore the others.

I will comment on one strategy. Teacher education was raised in terms of the number of teachers being trained. This is getting into the whole teacher supply issue, as related to the problem of redundancy -- supply and demand, controls on the number of teachers being trained, what is happening -- and it seems to vary considerably from province to province. The suggestion was made that one way which might, in the long run, result in lessening the problems in redundancy is early retirement -- negotiated pension plans -- to allow people to get out of the profession a little earlier.

I want to comment just briefly on a joint education finance committee that is being used in Manitoba and I think has the potential for being quite a significant method for us to get our input at a very meaningful level and to show how education is financed in our province. We have two out of ten people on that committee and they have managed to arrive at some consensus that has not in any way prejudiced the teachers' position. Considerable political weight is added to a position if it is supported by trustees, superintendents, teachers, school business officials, as well as people in the government. That is the current status right now and the Minister is looking quite seriously at making some significant changes and improvements.

One of the things that also came up in our group is that much of the concern about education finance right now may very well be the result of the economic instability or climate that we now have in the country as a whole. The question was raised whether we would be having a serious problem or these projects if the economic climate of the country were a little more stable at this point and we weren't facing high inflation, high unemployment. I think that to some extent the problem may be part of a much larger one.

ALTERNATIVE TECHNIQUES AND STRATEGIES FOR IMPROVING
THE FUNDING OF EDUCATION IN THE FUTURE

NEEDED REFORMS IN EDUCATION FINANCE

(Panel)

NORMAN FERGUSSON

Member

CTF Committee on the Politics and Economics
of Education

The Report of the CTF Seminar on the Budgetary Process Under Pressure, March 1976, indicated that more people, and Government, were becoming more and more concerned about high costs -- including educational expenditures -- and that there was a lessening of willingness to pile money into the hands of educators.

I noted comments about politics, power holders, and why and how teachers and their organizations should, and could, influence decision-makers.

Concerning attractive models, someone once said that "candy was dandy, but liquor is quicker". It appears that rational economic models are dandy but that political models are quicker to obtain results.

What reforms are needed? Perhaps if I had a sabbatical year or two instead of an hour or two to prepare something, I might come up with "the solution". However, I doubt it. All the educational finance scholars in the United States and the few in Canada, apparently have not yet supplied the answers. If they have, then the answers may be hidden somewhere.

I find it interesting to note the impact of social and judicial action on the views of educational finance "experts" in the United States, and the proposals for change in some state funding programs. Charges that the public school finance system was unconstitutional provoked great concern and examination of new approaches to the funding of schools. Special interest centred around the "equal availability" of tax resources to each child. Now there is discussion about complete state support models and local initiative seems to be de-emphasized in some states. This is quite a turn about in thinking in some areas of the United States.

The term "fiscal neutrality" has been used to mean "that the level of spending for a child's education may not be a function of wealth other than the wealth of the state as a whole". Most U.S. writers still agree, however, that equal educational opportunity does not mean equal dollar expenditure per pupil.

I recall a California Report of a few years ago which recommended a District Power Equalization Model. Each school district could choose its own level of expenditure. For identical levels of expenditures there would be identical tax rates. And the state in this proposal would guarantee the plan.

In Canada, I believe that all provinces adopted some sort of Foundation Program -- based on American prototypes such as developed by Cubberly, Mort, or in Maryland. In looking at our Foundation Program in Nova Scotia in recent years, it is somewhat difficult to recognize it as the same as that adopted after the Pottier Report of about 20 years ago. From an incomprehensible system of topsy-like growths, the Pottier Report brought order and comprehensibility. Even the "man in the street" could understand the system. Equalization of tax burden, and equalization of opportunity, were easily understood principles.

The old program is not what it used to be. Fewer people understand what it is, what formulas are used, and how decisions are made. The old Foundation Program permitted growth in programs and growth took place. To cut off this open-endedness the Government passed an Educational Assistance Act seven or eight years ago. The resulting Education Assistance Committee meant a new ball game because it had great power to change and limit school board budgets.

In the past week our Government has let our school boards know the extent of provincial financial assistance -- on the very eve of the setting of local tax rates. Yet our Government demands that boards plan ahead for 5 years! Our Government is now taking over 100 per cent of the local residential tax share of educational operating costs. The sharing formula still applies to other municipal services although, as I have mentioned, the Educational Assistance Committee has power to change, or not change, the proportions.

For the coming year a sort of "global budgeting" has come into effect for teacher salaries. The money for salaries is based on comparing enrolments in September 1976 with enrolments in September 1975. While overall in the province there will be little or no change in total teaching positions, some boards will have less money for salaries than would have been the case if there were no enrolment drop.

It appears that the prototype models for Foundation Programs have about run their course. We are entering again a more confused educational finance situation.

In Nova Scotia today, and probably characteristic of most of Canada, is a condition called below zero population growth. This has serious implications, not only for education, but for society as a whole.

In Nova Scotia we have not yet been bit by the certification or pupil-teacher ratio arguments to any considerable extent, but I expect these to blossom soon.

Do we attempt a wide educational program in the community about necessary programs and reforms in finance, or do we confront the political power-brokers through persuasive exercises or political understandings? Are we talking about reforms at all? Or do we just want tactics to get and increase educational dollars for the good of children and to protect our jobs?

Some Suggested Activities

1. We have much work to do at home with our membership. Information, research, concepts and policies need to be obtained and reached through wide involvement. Dr. Brown, BCTF, Ontario, Manitoba, and other affiliates have done much excellent work in this area already. It is necessary for more to be done in the future.
2. We should have our exchanges of information on a regular basis among our affiliates.
3. Despite any potential dangers, we should reach out into the community and forge new links to obtain social consensus for educational programs, if we are to protect programs beyond the perennial crises situation.
4. We need to translate the complexities of research efforts and information into terms and concepts that are understood by our teachers and our citizens. We can build on any success in any of our affiliates. We need to have, or develop, leadership in our organizations to get this done.
5. The role of "local autonomy" should be redefined more clearly in terms of decision-making and finance. Where, when, and how should there be local input into programs?
6. We must insist on longer-range planning by Government -- planning which is visible, participatory and comprehensible.
7. We should expend our efforts with party caucuses and political power-holders at all levels. Of course, preparation and material are necessary.

Such efforts, hopefully, will get us beyond the year by year, or four-year by four-year, tactics of Government for survival at the polls -- especially since these tactics cause great upheavals in our educational system.

With a depth of statistics and information, a height of concepts, and yet practical political know-how to cover all bases in order to pressure and promote education, we can effect reform as well as preservation.

ALTERNATIVE TECHNIQUES AND STRATEGIES FOR IMPROVING
THE FUNDING OF EDUCATION IN THE FUTURE
NEEDED REFORMS IN EDUCATION FINANCE
(Panel)

DR. CHARLES HYMAN
Member
CTF Committee on the Politics and Economics
of Education

I am reminded of a recent meeting of conciliators and arbitrators from across Canada at which the guest speaker formulated a hypothesis about the three most dubious statements in human history. These are in reverse order of priority. The first most dubious statement would be or has been "My cheques in the mail." The second most dubious statement is something to the effect that, "I will respect you as much in the morning as I do tonight, dear"; and the third most dubious statement is, "I am from the government and I am here to help you". My role on that panel falls into the area of the third dubiousity.

I would like to move directly to what I would call the needed reforms. I do this from the perspective of the situation that we face in Alberta, attempting to keep in mind the type of things that were mentioned in every one of the provinces yesterday. Some of these things will generalize in terms of their application and others will be particular to our situation or maybe to one or two other provinces.

The question of problems in education finance in both the sixties and seventies seems to congregate around two central themes that I would classify. The first is the differential in fiscal capacity of various levels of government. We have become very aware of the whole question of fiscal capacity at various government levels through both the growth period of the sixties and the decline period of the seventies. The second theme that has been very obvious to us all is pupil enrolment trends throughout both those decades. This theme does not lend itself to an easy translating in terms of what kind of formula you come up with to cope with both expansion and contraction. You tend to get trapped into talking about formula without really coming to grips with the question of reform of the system. The solutions of the problems associated with these two trends in the last twenty years are very difficult to achieve, but they are not insoluable.

The first set of reforms that I would be looking at stem from the question of fiscal capacity.

1. Government Policy Statements on Education

The first and most noticeable problem, is the lack of clear policy statements from provincial delegates that imply any system of planning and the possibility of operational programs from those

policy statements. I think it is true of many areas of Canada that provincial governments have abandoned the area of clarity when it comes to social services.

The method of getting a policy statement from provincial authorities in terms of teacher organizations has been traditionally asking particular politicians what their party platform is on educational issues before elections. This is not a satisfactory method unless there is an ideological war in the political arena where particular parties are going to be standing on distinct kinds of platforms.

The first needed reform is to get practical policy statements which can be translated into operational programs.

2. Definition of Educational Objectives and Standards

Assuming you can get that policy statement, then there is a need for precise definition of educational objectives and standards. What is it we are trying to fund and for what purposes? Look at the various funding mechanisms across the country and determine what it is they are attempting to fund? Do they fund teachers? Do they fund pupils? Do they fund school boards? What is the level of service they are trying to provide? Why are the programs structured in a particular way? This is very unclear at the moment and is going to get increasingly unclear with the deaccentuation of the social service sector, particularly in our jurisdiction.

3. Conditional and Unconditional Grants

Decisions have to be far more consciously made as to whether the objectives are best met by either conditional or unconditional grants. We notice an increasing trend toward conditional grants from our provincial government. Aside from those kinds of speculations which we can all make as to why a grant might be conditional versus unconditional there is very little effort at the provincial level to clarify one versus the other.

4. System of Equalization

We need a system of equalization based on some consensus about minimum standards. As far as the Alberta Teachers' Association is concerned, we advocate that all new programs introduced into the educational sector be on a short-term, trial basis of roughly three years; that the money be conditional while the program is in its experimental stage or its trial stage; and, as soon as the evaluation is in, if the consensus is that the program should be retained as part of the basic educational system, that the money at that point become unconditional. That is our policy and it is one that we advocate very strongly with the provincial authority. We have had very little success with it in recent years but we have hopes for the future.

5. Funding

The next question concerns funding. We advocate access to a broader revenue base than is presently in effect, particularly for the use of school boards. However, we have one point in our policy which has been adopted by the provincial government and that is the elimination of residential property tax from a general purpose education tax at the provincial level. Residential property is not used for the provincial school foundation fund. If they wish to tax property for provincial purposes, let them tax commercial property. We are opposed to the use of residential property tax for provincial usage. We would like that to be reserved exclusively for school boards. In Alberta at the moment that is the way it operates. There is no provincial tax on agricultural or residential land for use for school finance. The tax now is solely on commercial property.

6. Budgetary Process

The sixth reform is at the local level and that is opening the budgetary process to public debate and far greater teacher involvement in it.

For the most part, our budgetary process is a sham for all sorts of reasons. Our city school boards are very sophisticated in drawing up their budget proposals and do so conscientiously. It is published information, open to debate and if people want to analyze it they can. Our rural school boards still see the budgetary process as something that they have to do but would prefer not to. The Province has no regulation as to when the budget of a school board must be printed. There is a requirement that the local school board budget be submitted to the provincial authority purely as a filing process, not as an investigative process, but it doesn't say when.

Because all of our school boards operate on calendar year budgets, January-December budgets, rural boards might get around to doing a budget in July -- six months after the year has gone. Then it is very easy to plan the other six months and you can come up with a balanced budget. There has been no pressure put on them to do it earlier and they always have reasonable kinds of excuses as to why it could not be done earlier.

Most school trustees who operate in these areas, in all fairness to them, do not have the sophistication to deal with budgets. In rural parts of Alberta and possibly in Saskatchewan and Manitoba, the Superintendent and the Secretary-Treasurer are the only two people equipped to deal with the budget situation and there are even doubts in that area.

7. Disbursement of Provincial Funds

The seventh reform is earlier disbursement of provincial funds to local authorities. We have a consistently poor situation in this regard. Because school boards are funded on a calendar year basis, but the provincial budget operates on a fiscal year, April 1st to March 31st, it means that roughly in November of every year the Minister of Education will throw out some glimmerings of what is to come in the budget three to four months later so that the school boards can begin to draw up their budgets. He can never announce the full regulations and all the grants because the provincial budget isn't out until March. Boards can get off the hook in terms of the budget because an overlap exists between the calendar year for budgeting for school purposes and the fiscal year for budgeting for provincial purposes which creates tremendous confusion in the interim.

Another problem with this is that the school boards receive their money from the provincial governments not in advance of their expenditure year but always behind it. They are in arrears all the time. This leads to very high bank borrowing at very fat interest rates. It is estimated in Alberta that somewhere in the region of 10 to 15 million dollars per year of education money goes to the banks for borrowing money because they are consistently in arrears. This has been an issue with the school trustees ever since this policy came into effect and it goes back some 25 to 30 years as a method of funding school boards.

The province is not going to put out the money any earlier because it wants to keep it in its own interest account. It believes that school boards should be able to manage their affairs soundly enough to develop sufficient reserves to be able to take care of these three-month lags that are constantly in the situation. You go into some very small communities in Alberta and notice a bank where, by any economic rationality, there should not be one and the local school board office is in that little town as well. While I cannot point the finger and say definite collusion between the provincial authority and our private banking system, it does leave one very suspicious about why the system operates the way it does.

8. Coordination of Educational Funding

The next reform I would be looking at is coordination of all education funding through one provincial department of education. We have two departments: one of advanced education, one of education. We have our doubts about that kind of a structure, its bureaucratic implications, and the wars that go on between the two departments. Problems arise where you have extension programs for adults being run through the elementary and secondary school facilities, using teachers who, during the day, teach elementary or secondary school and offer extension programs to adults at night. The question of

which bureaucracy is responsible for those kinds of programs and where the funding comes from is a constant war. Anything to do with adult education is a war between the department of advanced education and the department of education.

The other difficulty that we face is that there are several sources of funds for education. You can write to the Department of Culture and get a culture grant to be used in the schools. You can write to the Department of Environment and get another grant because you are taking kids on field trips or doing outdoor education. You can write to Natural Resources because you are interested in having curriculum on the Sincruide project. You can even write to Sincruide -- they have 20 teachers that they hired away from the public school system to write curriculum for the great Canadian oil sands project, which they then give back to school boards as their contribution to the public sector.

There are any number of sources that you can tap at the provincial level. All of these funds are used at elementary and secondary levels, but are not classified as educational expenditures. It is only the sophisticated who can get their fingers on it: the Superintendent who knows who to touch; the Principal who is aware of what is out there; and the teacher who does can manage to get these funds. We know as well that the provincial civil service in terms of the Department of Education are very resentful of this situation in the other departments. They would like to have all the money channeled through the one provincial department. We agree with that. We would like to see equal opportunity in access to revenue.

9. Comparison of Budgets and Audited Financial Statements

A very technical reform which we now have managed to achieve is the ability to compare budgets and audited financial statements from every school board right across the province. When PPBS began at the turn of this decade, all provincial departments in Alberta were converted to the Programming and Planning and Budget Systems. It didn't solve any problems, but it turned into a very sophisticated accounting system. What we have now is PAB, Program Accounting Budgeting, which the province mandated for all school boards in 1974. They must all use the same forms, and they must all use the same account numbers. They are allowed to have internal budgets that vary somewhat, but when they make their reports to the provincial department, and when they publish their audited financial statements in February of every year, the form must be the same right across the province. It makes comparison much easier for us.

There is a weakness in the budget side, but there is a lot of strength when it comes to the audited statement because of its comparability.

10. County System of Government

We have a county system of government in the rural areas of the province. The county system of government creates tremendous pressure on the school board side from the municipal side to control expenditures. We find the school trustees, who are elected in these counties, are generally very much under the thumb of the people on the municipal side, and have very little autonomy. The system was so bad that, up until two years ago, if the school board in a county managed to have any surplus at the end of the year, it was immediately transferred back into the general county revenues and so you lost all your surpluses if you were a school board in the county system. Fortunately, two years ago, the government passed a regulation allowing county school committees to retain their surpluses. In the past they only retained their deficits. The municipality would never pick up the deficit, but it would always pick up the surplus. If we are really going to talk about autonomy, the notion in a county system of having municipal councillors being far more important than the school committee is something that we would have to look at in terms of the board.

ALTERNATIVE TECHNIQUES AND STRATEGIES FOR IMPROVING
THE FUNDING OF EDUCATION IN THE FUTURE

NEEDED REFORMS IN EDUCATION FINANCE
(Panel)

DR. FLORENCE HENDERSON
Ontario

I specifically asked to be last on the program because the comments that I am going to make are of a less specific nature than the former two speakers. I hope it doesn't make them any less important to our considerations here at this Conference.

We have to identify our concern and focus on it in terms of where we ought to be going or where we might be going. I draw your attention to two of Wilf Brown's tables. One table deals with financial effort expressed as the change in the amount that has been spent per student from 1960 through to 1975. If we look at it for all of Canada, we find that it has grown from \$284 to \$1205 per student and it has increased every year. In terms of dollars per student, then, there appears to be a general move toward improvement at a relatively high rate from \$284 to \$1205. It doesn't express how much of that is inflation, but the growth in spending is there, nonetheless.

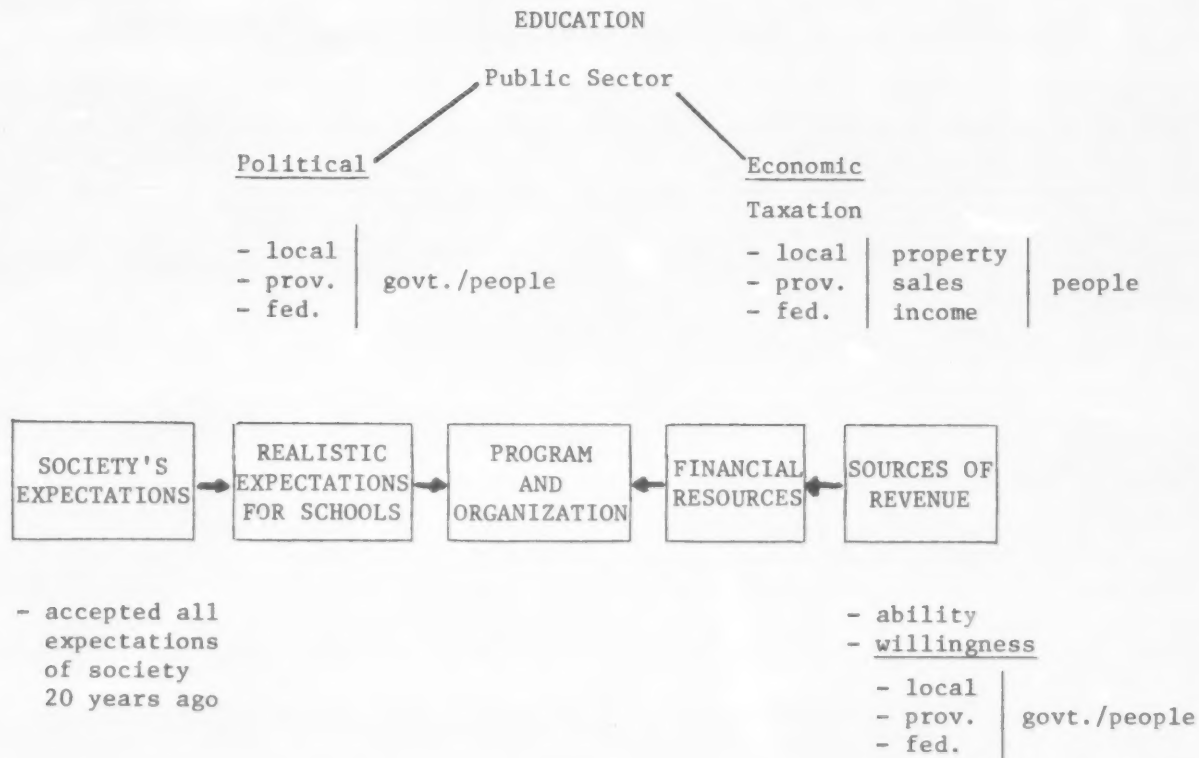
In Table 10, if we look at the index of the relative effort as it is expressed in the percentage of the personal income per capita that is spent on education we find a somewhat different trend, going from 17 per cent up to 21 per cent for a period of four years and now coming back down to a little over 20 per cent. The trend line of relative effort is somewhat different from that of simple financial effort.

When we talk about trying to get dollars for education or trying to deal with the education finance problem, I think we have to be clear whether we are talking about getting more dollars per student or a relatively larger share of the total provincial budget.

Norman Fergusson mentioned that Harding Moffat had said that it is a social and political matter rather than a rational one. What I hope to do in the next few minutes is to rationalize what I think that socio-political problem is in terms that we can understand for education. The basic socio-political problem I am addressing is how to get political authorities to contribute in economic terms what we think education should have.

Since education is in the public sector, the basic decisions are made in the political field and the money, or most of it, is raised by means of taxation (see chart p. 82). The decision-making in the political area, is at three levels: local, provincial and federal. Each of these three levels presumes a government body with which to deal. In the larger analysis, that government body is supposed to be monitoring and registering what the people want and the voting is an indication of

that. Taxation, in similar terms, is at the local, provincial and federal levels and the major forms are property, sales and income taxes. Here again, whether we are talking about property, sales or income, in the final analysis it is the same people who are paying. What we talk about in education finance is really how we can get the proper mix of these resources so that the people who are paying will pay gladly.



In my estimation we now have a situation where people feel they are reaching the limit of taxation. It doesn't matter whether you are talking about property, sales or income taxes, people feel that taxes are becoming too much of a burden. Since they are the same people that decide who the decision-makers are and what those decisions will be, then there is a very close connection between the willingness on the part of people to pay taxes and the kind of decisions that are being made. If the decisions are in areas they feel are important, then they will pay the money. If they are not, then that money is less likely to be forthcoming. I say that in two ways. Table 10, which shows the portion of the budget that is allocated towards one particular area, reflects some of the willingness of the people to pay more money in that area.

It is very important to us that these people, who are in both of these arenas that affect us critically, must be taken into account. I would subscribe whole-heartedly to what Harding Moffat has said: it is a socio-political question and becoming increasingly a socio-political question.

This whole revenue sharing basis and the formulae that we have attempted to develop over the years for equalization can only take place within the larger context of what the people are prepared to pay in taxes at any one of these levels.

I would see the following model as useful in considering this question. The first thing we need to know is what society's expectations are in the school. The next stage is to translate those expectations into realistic expectations for the school. Society is prone to look to the school as the solver of all its problems, whatever they happen to be, and if we simply accept that, we will find ourselves where we are right now.

Society's expectations have not been met because they were not realistic expectations for the school. There are other segments of society which either have to remain constant or keep in tune with those expectations or the school cannot perform them.

The teaching profession has a very serious responsibility to sift and sort these expectations in terms of what can realistically be expected of the school. What we can say is "Give us the child in the school for x years and we can expect to reach certain objectives". Unless we keep the objectives within the purview of the school, we are admitting objectives which we simply cannot control.

We need to clarify these things in realistic terms. Having done that, they need to be translated into the type of programs and organizations that will allow those expectations to be met. Then, we need to decide what financial resources are required in order to meet those ends. Finally sources of revenue are required in order to raise those financial resources.

We are concentrating on the sources of revenue. How do we get the money to do what the school wants to do? There are two major components there. One is the ability to raise the resources and that is what we have been concentrating on in years past. We have been very preoccupied with how to equalize that ability to pay.

The second component, and one which in my estimation is coming to the fore now, is the willingness to pay, at all levels -- local, provincial and federal. It is reflected at all levels of government, the school board, the department or ministry of education, and the federal level. It is a case of willingness at the government level and in the final analysis a willingness of the people to put the money into education in terms of what is needed.

I think we have a serious problem and it is two-fold. We are concerned about what is happening to students in school and we have a serious belief that the school program would be a better program if we had fewer children in the school. At the provincial level we are all trying to convince the government to commit enough money to allow us to reduce class size. Let's not deceive ourselves into thinking that we are not also trying to resolve another problem -- declining enrolments. One of the chief concerns for a teachers' organization is that some of our members are going to be out of work by virtue of the fact that enrolment in the elementary and secondary schools has dropped. We are looking at class size in my estimation, as one resolution to that problem, while tying it in to the greater social good.

If we put our minds to it we could come up with some really concrete ways in which we could deal with the fact that we are not losing dollars per pupil but we are losing our relative share of provincial resources to other social services. One social expectation or need that society has that the school could restructure itself to deal with, is day care. This isn't totally popular, but if we want to solve a problem such as declining enrolment then we are going to have to find ways in which the school can use the existing teaching force -- ways that are palatable and needed by society. We have to fit into that larger social context where we now have both parents working in a family where there is a real need for taking care of children. It is not contrary to learning theory as I understand it.

Another solution involves the whole movement toward bilingual education in the country. What is happening, certainly in Ontario, is that as the immersion programs move in, it is very obvious that the people who are there are not really qualified to deal with them. It means displacing some of the teachers we now have in the schools and finding somebody else to come in and deal with it at a level that would be appropriate. Is it possible that the school could organize itself and develop the type of programs which would meet society's expectations, which could be defined in manageable terms as far as what teachers can do working with children, in ways which would make the financial resources that we need, not only from the stand point of being able to pay, but increasing the willingness of the population to put money into the educational process?

ALTERNATIVE TECHNIQUES AND STRATEGIES FOR IMPROVING
THE FUNDING OF EDUCATION IN THE FUTURE

POLITICAL STRATEGIES FOR ACHIEVING REFORM IN EDUCATION FINANCE
(Panel)

NORMAN ORNES
British Columbia

A. Introduction

1. Education finance deals with four basic questions:
 - How much should be spent on education?
 - How should that money be raised?
 - How should the funds be disbursed?
 - How should the disbursements be allocated?
2. Each of those aspects appear applicable at five levels:
 - federal
 - provincial
 - local
 - school
 - classroom.
3. At first glance there appears to be five targets:
 - general public
 - politicians
 - officials
 - membership
 - clients.
4. The topic implies perceived need and recognizes that effecting change is really a political process.

B. Preparation for Political Activity

1. Acquire expertise
 - education finance
 - political action.
2. Generate long and short term goals.
3. Establish bench marks by which judgments can be made.

4. Become familiar with the budgetary process:
 - What is the time line?
 - What are the decision points?
 - Who are the decision-makers?
 - Who influences the decisions?
5. Develop an informed membership -- increase awareness of the need for a united, multi-faceted pursuit of commonly agreed upon goals.

C. Political Strategies

1. There appears to be four basic kinds of strategies:
 - educate
 - persuade
 - oppose
 - confront
2. Develop a sense of perspective. Keep your options open. Very few things are inherently or eternally good or bad. Politics is a game of moving and changing targets and alliances.
3. Foster decentralization -- oppose centralization. Strive for decisions to be made as close to the scene of the action as possible. This permits local alliance against "third" parties. Avoid escalation and or end runs to higher authorities. Support local autonomy and the means by which it can flourish.
4. Be alert. Take advantage of political opportunities whenever and wherever they occur. Seek them out. Part of the political process is to create new points of influence -- new pressure points.
5. Zealously guard scarce resources. Be alert to idealistic desires for education from cradle to grave. Our primary focus is and must be elementary-secondary education. Beware the invaders. Drive out the non-educational. Eliminate wasteful and non productive expenditures. Oppose the diversion of funds raised for elementary and secondary schools to other good and popular purposes. A dollar saved is a dollar earned.
6. Examine the myths of the overburdened local school taxpayer, of unreasonably increasing elementary and secondary school costs.
7. Seek strong, articulate, responsible, diligent, well-respected members as committee representatives and to prepare and make presentations at important decision sets.

ALTERNATIVE TECHNIQUES AND STRATEGIES FOR IMPROVING

THE FUNDING OF EDUCATION IN THE FUTURE

POLITICAL STRATEGIES FOR ACHIEVING REFORM IN EDUCATION FINANCE

(Panel)

JANET PROULX

Quebec

In dealing with this topic I am looking strictly at the political strategies that can be used to achieve what we want in educational funding. Our aims are to achieve as large an amount as we can and create a demand for substantial funding for education and then make sure that this amount is used to its fullest potential -- not misused. In view of this, I am going to look briefly at three levels of political strategy -- provincial, board and grass roots level.

Provincially, if you are going to have some sort of political strategy, you are going to have to politicize your membership. They are going to have to be aware of the justification of the demands that they are making for funding. If they don't believe in what you are asking, the public is never going to buy it. The degree to which you are willing to politicize them is a decision that each organization is going to have to make in your own province.

We found that in politicizing our membership they were willing to fight to get more money in salaries than the government was willing to give. Even though the government had a global package we got more. Secondly, they were willing to accept a salary package which gave them a range of increases from 29 to 65 per cent. This meant that the highly educated, and experienced teachers were willing to take 29 per cent and let people at the low end of the scale take 65 per cent. We convinced the higher paid teachers that, if we were going to get recognition as a profession, we could not have people earning wages that were a pittance. If we were going to earn the respect of society, we had to be regarded as professionals.

The way in which you politicize your membership has to be in making them more aware of the financial structures of their own province and the sort of things that are happening.

I must say immediately that I think the CEQ has been much more active in this kind of thing than we have been and into which the PAPT has been venturing only recently. The CEQ produces documents that are fairly substantial.

We have been sitting here saying can we ask, dare we ask? The corporations never wonder about what they dare ask for. The CEQ goes further than most of us would.

Until you politicize your own membership you have no base from which to work. From there you can move to a program of making the public aware. The press will do a little bit of this for you but you have to be careful. Be very aware of what statistics you are using.

We did use successfully concepts on bargain basement education. Direct questions to the public: Is this in fact what you want? Are you aware that you are paying a larger percentage in provincial taxes than other areas? Do specific comparisons: 28 per cent in Quebec as against 21 in Ontario and so forth. PAPT has a very definite policy. We want the money in the classrooms. We do not want it in the bureaucracy. You can continue this by going into your actual programs. How many children are in kindergarten? How many children are dropping out in the 15 to 19 year old brackets? How many proportionately are coming out with a complete secondary education? If you want bargain basement education, this is what you are going to get. If you want limited programs, this is what you are going to get unless you are prepared to fund it.

In some areas of Quebec we have managed to reduce a French immersion program, not on grounds of cost, but on the grounds that it was not providing the public with what it wanted for its pupils. We have been successful in our demands because we are saying: if you want your children to have the kind of language and science training that they need in this society, you are going to have to provide for the programs.

PAPT has very specific policies. For example, we are opposed to public financing of private institutions. Our attitude is that if parents wish they are at liberty to send their children to private institutions, but we are not prepared to see them financed by the public. Our Annual Meeting was very strongly in favour of day care.

Basic to our whole political strategy is the idea that we have a contractual and bargaining demand which we make public. The idea of not laying these things down contractually is unacceptable. Flexibility is what the boards demand and the government demands in order to use the funds however they see fit not how the public or the teachers see fit.

We include, therefore, in our provincial contract such things as job security and in our local contracts rigid definitions of assignment and transfer. They may not just assign and transfer people wherever they feel like even within the very limited area of one school board.

We were on strike for a workload clause which has included very specific lengths of the teaching day, supervision, guaranteed free time for the elementary teachers, and maximum class sizes. We had public support for these because, again, we went to the public and explained to them that it was a question of producing the education at a decent basic level.

If the boards ignore these clauses, then we use the grievance procedure and we collect damages. We have collected from our boards substantial amounts of damages: \$140,000 in one board; \$95,000 in another board; and one small board with about 350 teachers is going to be paying a quarter of a million dollars in damages very soon for not observing these terms.

If we sound brutal, have a look at what your boards are doing. We innocents in Quebec for years provided services -- the librarians and the guidance counsellors and the outside services -- because we believed in quality education and the boards explained to us that they couldn't afford it. When we suddenly stopped providing them and said enough is enough they didn't take them out because they were able to get government funding all the way along. Once we investigated we found out that they have the resources -- the money is available when they want it. The Department of Indian Affairs for example will finance projects dealing with education of Indians. There are social affairs projects dealing with children in deprived areas. There are additional resources available in the government in dealing with special education. Many of the boards say that they didn't know about this. If they didn't know about this they are really inefficient.

At the board level we first have to de-mystify the whole process. One of the problems that we have had is that we didn't know what sort of money was available, to whom or what the per capita amount. Most of us are now looking at the financial statements of our boards and going through them with a fine tooth comb. When you reshuffle the priorities you find out that, while they've been telling us they have no transferability of accounts, they have total transferability of accounts and when they bought a school bus, they should have been buying textbooks. They have a tremendous amount of flexibility.

The other things that can be done are surveys in detail of the resources that are available already in a board. You will find small rural boards with fantastic resources which they are never using.

We found this was quite useful for people who are doing college courses. First of all, you don't have to do all the research yourself. Secondly, the boards are much more open to somebody who is just doing a nice little term paper.

Once you have the information, you go to the school boards and tell them that you don't approve of their use of funds in specific ways and suggest that certain changes could be made. If these changes aren't made at that stage, I find that the local newspapers are extremely interested in the use of the funds. Your teachers are also very interested and your local newsletters are quite useful.

In our contracts at the school level, we normally have consultation on the use of school funds. The designated authority, the administrator, shall provide an explanation of the extent of transferability between accounts available, the nature of the purchases which can be made and it lists the account numbers. There are specific dates by which this information must be provided and the priorities, therefore, can be decided at the school level. Either we are professionals and we know how this money should be used or we aren't.

If the board is not prepared to do this, then I think you have good reason to ask questions about what they are doing with the public monies. It is necessary, however, that your teachers know what questions to ask and that they are not taken in with the concepts such as, it can't be transferred or you can't have textbooks this year because we want baseballs.

Ultimately, not only your teachers will become involved, but also your parents. We happen to have a parent committee which is not the PTA which is a body that is involved in the organization of the school.

We are faced with limited funds. Let's make sure that these funds are properly used and they are only going to be properly used if they are under a spotlight of public attention.

ALTERNATIVE TECHNIQUES AND STRATEGIES FOR IMPROVING
THE FUNDING OF EDUCATION

POLITICAL STRATEGIES FOR ACHIEVING REFORM
(Panel)

ROSS MACCALLUM
New Brunswick

This presentation on the topic of political strategies for achieving reform is written from an analysis of experiences of having served as the president of a provincial teacher organization that faced major educational policy revisions in two successive years.

In January 1976, the Progressive Conservative Government of New Brunswick introduced formula or global budgeting to the citizens of New Brunswick for the purpose of financing public school education. The New Brunswick Teachers' Association chose the route of public confrontation through various means of arousing public interest in a program of direct opposition to the manner and the method of implementation of a new scheme of education finance, which one former minister of education of another political party called globaloney.

In collective bargaining procedures beginning November 1, 1976, teachers in New Brunswick were confronted by Treasury Board with financial proposals of such educational implications that would, if implemented, have been catastrophic for the school system and the teaching profession.

Using these two preceding general situations as reference, the following positions are taken:

1. Educators often regard the battles over education finance as a win-lose contest. It is necessary for us to maintain the position that the debate regarding public school finance was built on the dot whose path became a circle. Teachers should not allow the debate on public school finance to ever die for the obvious reason that the public institution will always serve clientele who will always have needs to be met.
2. Teacher organizations need to maintain a visible and recognized profile. In such a crucial area as public school finance, we cannot allow ourselves to be taken for granted, locally, provincially or nationally. We shall have to shoulder some of the blame if we allow ourselves to be marketed in the bargain basement of the government distribution centre of public services.
3. Teacher organizations should evaluate the money effectively spent at the branch and provincial levels to prepare their members for involvement influencing acceptable change in public school finance.

4. Teacher organizations must become more conscious of the operation and the designs of the Council of Ministers.

About two years ago, a prominent national figure commented that teachers did not have the expertise to effectively cope with the political machine of government. He said that they behave like lambs who don't know how to avoid the slaughter.

I believe that the image is changing. It has changed as a result of long and short term strategies developed to erase the belief that teachers can be taken for granted, or even more so, be silent until consulted.

There is no single recipe for successfully achieving reform but a basic ingredient must be political savvy where a teacher organization has the resource to rationally make its voice heard and respected.

5. Teacher organizations and their members must avoid the misconception that teachers who hold elected government offices will maintain a priority for resolving teacher needs and demands.

The components of the political system such as lobbying, formal and informal communication and public pressure are integral parts of the complex and often confusing decision-making process of government.

Either we develop the expertise to make the system work for us or we resign ourselves to letting the system work on us.

CAN WE AGREE ON COMMON APPROACHES FOR
THE FUNDING OF EDUCATION?

PRIORITIES FOR TEACHER ORGANIZATIONS IN EDUCATION FINANCE
(Panel)

NORMAN M. GOBLE
CTF Secretary General

Many of the things said at this Conference are echoes of what was said years ago in the CTF publication New Goals New Paths. Perhaps that tells us that when we published that report we were a little ahead of our time. Looking more closely at the specific interests of teacher organizations, however, we note a continuing shift of the focus of concern away from the problem of funding improvements and towards the more disagreeable question of job security.

Dr. Henderson observed this morning, quoting Hardy Moffat, that education finance decisions are made on a social and political basis, rather than on a rational basis. In response, teacher organizations are going to have to develop a realistic and effective set of political strategies. That involves a sustained effort of interpretation of social and political factors to the teachers within our membership.

Education finance has two sides -- supply and demand. With regard to the demand side, teacher organizations must continue to develop their information base. Especially, we need all the information we can get on long-term projections, especially in such matters as population, fertility and migration. On the supply side, we need increasingly sophisticated analyses of economic activity and potential in Canadian society, so that we can develop valid arguments based on such matters as fiscal capacity and equity, measures of personal effort and so on.

One thing we have lacked in Canada is a clear, coherent statement of the deficiencies and inadequacies which we see in educational services. The maintenance of such a document on a continuously updated basis -- a kind of annual stock-taking -- is, I think, a necessary first step in any attempt to be politically effective. I repeat, though, that it must be a sustained effort. A couple of years ago the NEA produced an excellent document describing educational disadvantage in the U.S.A. It did not accomplish enough because it was a one-shot effort -- it dropped into the pool of public consciousness and disappeared.

Our organizations have to be more concerned than they have been in the past for internal compatibility of their own goals and policies in education finance, professional development, teacher welfare and public relations. There has been serious crossing of purposes, confusion of purposes and mutual contradiction among those areas in the past. That means developing overall policies, involving all those aspects, on such matters as school staffing patterns, auxiliary personnel, teacher qualifications, classification and categorization, and general and special

educational needs. For want of such policies we are stuck with many obsolete programs and are prevented from developing new and needed programs. This is true notably in the area of vocational and pre-vocational education. Wilf Brown talked about that kind of concern yesterday. At the same time, we have to recognize that radical changes in the school systems to meet current needs may not be in our favour in terms of job security and teacher incomes, and prepare our response to that eventuality in advance.

If we are going to talk about functions like day care, we have to be prepared to look at policies on things like the school day and the school year. Schools at present set-up don't stay in session long enough to be of much use to most workers. We have to look at the dilemma of whether we go for pension improvement as against current salaries. We have to look at personnel policies if school systems really shrink, and if some teachers really have to go we have to weigh the principle of "last in first out" against what we believe about desirable levels of qualification. Humanity requires that we protect long-term people; but if these qualifications are minimal how do we feel about closing the door on young teachers who have come out with the kind of improvements in qualifications that we have been pressing for over the last few years? We have to weigh job security against salary level improvement. We have got to consider how we might control teacher supply, and review our policies on admission to teacher education and the duration of teacher education -- the factors that control the teacher supply process.

Let me return for a moment to the matter of getting money into education. Again we need an information base. We need to be knowledgeable about such things as the yield that might be projected or predicted from various kinds of taxation, about budgeting and financing procedures, about the method used in securing votes of money to education, about such matters as the classification of financial items and the way in which they are allocated among departmental votes -- a point that was mentioned this morning -- or allocated to sectors within departments. We have to look at the degree of transferability of educational allocations, and even concern ourselves with such technicalities as the fiscal years of the different agencies involved in financing.

Then we need policies on such things as tax structures in relation to economic conditions. Consider, for example, the effects of unemployment on yields of personal and sales taxes.

At the end of all that the one thing we have to do is somehow come up with ideas for public financing which tap private affluence. We are not a poor country, but the money is in the private sector, and the trick is to get it out for the public benefit.

We have to have policies on intergovernmental fiscal arrangements, which at the present moment are causing a great deal of uncertainty in educational financing. The proposed revision of the agreements between Ottawa and the provinces has left a number of the provinces quite uncertain about what is going to happen to their financial resources and income over the next few years. There is a serious risk of increasing inequality across the country.

Besides this we must look at the distribution problem. Given some marriage of demand with supply we still have the problem of distribution or allocation. Here our organizations need to develop satisfactory models balancing provincial and local powers. We are looking for both efficiency and effectiveness, and we have to be on guard against political posturing and against the distortion of priorities -- the kind of thing we are seeing in New Brunswick, for example, under the "global budgeting" program, which more than anything else is an attempt to shift political odium down to the local level and pull political credit up to the provincial level. In so doing it is severely distorting educational priorities.

We have to look at the kinds of decisions we believe should be made, and the kind of discretionary power that should reside, at the various levels -- decisions, for example, on the kind of teacher qualifications that should be established to meet the needs of the school.

We have got to try also to identify and push for styles of decision-making which are truly responsive to needs -- and those which suit the capability of teacher organizations to exercise pressures. We have got to try and push to have decision-making powers placed at those points where we feel we can exercise decisive input.

That means that our own organizations have to be very active in studying the means of applying pressure, techniques of politicization, and techniques of political influence. Within our own ranks we must look at what is rational and desirable in the assignment of various functions and various activities to the local level, the provincial level and the national level. That is something we have not really looked at very rationally over the years. Is it not time to look very carefully now at the question of what functions and operations and processes are best centralized on the Canadian scale, best pursued at the separate provincial level, or best delegated by your organizations to your component bodies or local associations?

CAN WE AGREE ON COMMON APPROACHES FOR
THE FUNDING OF EDUCATION?

PRIORITIES FOR TEACHER ORGANIZATIONS IN EDUCATION FINANCE
(Panel)

ROBERT GORDON
Manitoba

The request from the seminar organizers was to base our presentations on what had taken place in the other sessions. It is difficult to follow even this rather simple directive because of the variety of conditions which abide in the various provinces and the variety of experience which the participants have with education finance. Nevertheless, certain general priorities clearly emerged and others were implied.

Following are four priorities which were generally supported by the participants.

1. Survival

There was a general concern regarding the ability of the various school systems to survive midst problems of staff cut-backs, declining enrolments, a depressed economy, disenchantment with the schools' ability to achieve stated goals, and a lessening public support for education. The discussions in the first sessions centred around manifestations of the basic problem of financing education. Collective bargaining and pension plans were favourite topics. It was quite clear that the immediate priority for most teacher organizations is to obtain enough financial support to permit the school system to survive in a rather unfriendly atmosphere.

2. Local Autonomy

There was a re-assertion of support for local autonomy together with a concern that, to some degree, provincial governments were abandoning their responsibilities to finance education to local school boards. In other words, in many parts of the country there is a conscious reversal of the trend to centralized funding. Synonymous with the expressed support for the local autonomy was the support for meaningful decision-making at the local level. It was agreed that some local financing, perhaps up to 20 per cent, was necessary to ensure meaningful involvement in the decision-making process. Omitted from the discussions was the acknowledgment that some of the concern about local autonomy (local decision-making) might be the result of the trend in all provinces to decentralize the provision of the education service. There is a logic to giving fiscal responsibilities to those who are making the educational decisions.

3. Equality of Educational Opportunity -- The Elusive Goal

It is encouraging to find that teacher organizations still hold the objective of greater equality of educational opportunity as a priority item. The increase in the number of programs, particularly in secondary schools, has been one of the main determinants of increased education service and increased education costs. No one pretends to have achieved equality of opportunity, but efforts are still being made in that direction by most jurisdictions. The current concern about mainstreaming is one indication. As long as teachers hold to this goal, they will be seeking increased and improved resources and the financing to provide them. The trend to provincial funding evident in some areas may promote some degree of equalization. Teacher organizations may be faced with a choice of accepting provincial funding in order to achieve equalization of educational opportunity or rejecting it in order to preserve local autonomy, thereby assuring that there will be some inequalities in the education service because of the differing abilities of local governments to finance it.

4. Fiscal Equity

Most of the financing formulae stress equity. The power equalizing concept and the property tax rebate system are both designed to achieve greater fiscal equity. All teacher organizations apparently support this goal. Teacher organizations appear to be as much concerned about the regressive features of the property tax as any other group.

In addition to these generally acknowledged priorities, there were some others which, if they were not articulated clearly, were implied in the comments and questions heard in the plenary and group sessions.

1. Teacher organizations must give greater attention to education finance as an organizational activity. It deserves a similar status as is given economic welfare and professional development. Teacher organizations must change from a reactive role to an initiatory role. To assume these responsibilities, it will be necessary for teacher organizations to acquire a data base, or at least access to one and to develop an expertise which commands attention from other groups including government.
2. It is necessary for teacher organizations to become involved in the decision-making process at a much earlier level. Many of the decisions concerning education finance are made by financial people not educators. It is imperative that educators be involved at the policy level and with the real decision-makers. Such an involvement will only come about when teacher organizations have demonstrated that they have the capacity to make meaningful contributions to these decisions. Allied with this involvement is the ability of the teacher organization to generate political influence which will command the attention of governments.

It was my impression that teacher organizations are gradually awakening to the realization that education finance must be one of their prime concerns. To this end, CTF can play an important role in providing expertise and a clearing house facility for exchanging information.

Historically, CTF has made a major contribution to education finance in Canada. It is time for CTF to re-assign priority to this activity and to pursue the policies which have been developed for it.

CAN WE AGREE ON COMMON APPROACHES FOR
THE FUNDING OF EDUCATION?

PRIORITIES IN EDUCATION FOR TEACHER ORGANIZATIONS
(Panel)

DERRY BYRNE
Ontario

I'd like to try and approach this question on the assumption that the assumptions made in the question are wrong. For example, the question relates to priorities for teacher organizations in educational finance. I would start that by answering the first question. Can we agree on common approaches? I'd answer that, no. I would go further in the second one and I would say that educational finance is not a priority for teacher organizations at all.

Now, where are we going to go from there. The question is a question about the resistance among our members to pay fees even for their own organization.

The debate that has been going on within our affiliate for two years now as to what the affiliate should be doing within OTF as to what it should be doing in relation to the five affiliates and the Task Force within CTF on Structures and its ability to respond to the needs of its members. Those are all indicative of the essential question. We are not giving any attention to the fact that we have created a different type of teacher in 1977 than was around ten years ago. Most of the structures that are presently in place were already engraved in stone at that time. The difficulties that we have as teacher organizations right now is the consequence of our own stone-heartedness, our own inability to adapt to the needs of our members. I don't think there is anybody sitting in this room who has taken part in this CTF project over the last number of four or five or six years who hasn't got a better grasp of educational finance now than he had at the outset, but I don't know if our members sitting in class today are any wiser because I don't think the organizations have reacted with the members.

The best evidence I could give you of that is within the OECD Examiners Report. It points to certain weaknesses in the profession that we haven't come to grips with at all. One of the prime weaknesses is that the profession is a willing partner to a proforma type of consultation with governments. That proforma type of consultation takes place because the profession is not capable of discussing things on any other grounds. The reason we are not capable of discussing on any other grounds is we don't do the homework.

I think you will find that in the teaching groups represented in this room there is an alienation of the leadership from the average member, because the average member doesn't see you as capable of doing what needs to be done in the educational debate. He doesn't see the teacher's organization as capable of answering a question for him satisfactorily.

The OECD Examiners point to that type of consultation. The end result of that type of consultation is a resistance within our own budgets as teacher organizations to the fees for a service that the majority of members never get. The majority of our members don't need our services in the course of their 30 or 35 days and there is a resistance to fee increase because they don't see the contribution to their own organization as significantly influencing the course of their career by modifying the conditions under which they work or the quality of the system within which they work.

I don't think we have taken the case of education at all to the public. In this room in two days I hear that education exists to provide qualifications for employment. If the teachers are not present in the debate for education for the sake of education, rather than education as a promoter of direct economic growth, than what are a child's rights in our compulsory system of education and what is our function.

When we start to deal with education as a social political drama, we have to recognize that it is education's role as a social agent that is least understood and most in question. We question it. Society questions it in terms of its ability to discipline children to teach respect for authority, to teach the basics if you want, and I think our teachers question it in terms of, how much more can they ask me to do or how many more new programs can they introduce?

A part answer to the question of what priority should there be for teacher's organizations in educational finance is that teachers address themselves to what their priorities are for teachers' organizations in education. The finances follow. If we could resurrect CTF's study that was done on a basic rationale for education for financing equity, and start to talk to our members about it, we may be talking about some of the issues that they want to talk about.

The first priority I would see for a teachers' organization would be to develop ways to encourage its own members to come out of the province and talk about education, develop structures whereby teachers could talk to the public at large in a non-threatening situation about education, rather than the situation where teachers talk to parents. In other words, I only meet you as the parents of a child in my classroom or as an employee of a particular board. The public meets the Economic Council of Canada in every one of its publications, but the public does not meet the teaching profession of Canada or of the province of Ontario or of a particular school system at all. They meet them only as employees or as parents of the child in their class.

The first priority would be, then, the involvement of our own Members through our organizations in the question, what is the nature of the educational process? The second one would be the involvement of our members with the public at large. I don't think that we have faced the Canadian public with what they may justifiably expect of the schools at all. In terms of the basics, we are not asking them what they mean by return to the basics. They may very well mean that they want a completely different structure altogether. I don't know that. But I think it is appropriate for a teaching profession to talk to them about it.

03
The other item is that I don't think the structures of teachers' organizations are designed to give you the 20 per cent involvement that Bob Gordon would say was good involvement. Most of our members don't see us as capable of influencing the direction of education and we are not capable because we don't direct the resources necessary to develop positions that are based on sound reasoned observations.

APPENDIX I

SUMMARY OF SEMINAR EVALUATION SHEETS

Summary of Evaluation Sheets
The 1977 Seminar on Education Finance
CTF Building, Ottawa
April 4-5, 1977

General Evaluation

For most participants, the Seminar represented a forum for the exchange of ideas. Speakers were judged to be both knowledgeable and well prepared. In fact, one member of the Seminar said there was almost too much information to assimilate in the general presentations. The province by province statistics provided by CTF were considered most useful. Aside from these positive reactions, someone also noted that it was psychologically consoling for education finance representatives to get together and share common problems. The only dissatisfaction was voiced by one delegate who felt education finance should not have been mixed with politics.

Program Design and Content

Under this heading, there were many conflicting opinions. Basically, there were two groups: those who believed politics form an integral part of education finance and those who did not. Another area where divergent opinions were registered concerned the validity of discussion groups. Several participants found them to be stimulating and helpful whereas others felt they were unnecessary because participants tended to get side tracked. On the whole, it was unanimously agreed that the general presentation and the CTF kit were the best parts of the Seminar.

Physical Arrangements

All participants of the Seminar were satisfied with their hotel accommodation. Unfortunately, the same could not be said of the CTF Board Room which lacked ventilation. But a ventilation system is being installed presently and future meetings in the Board Room should be more tolerable.

Follow-up Suggestions

The general consensus is that it is imperative to continue holding similar seminars in the future to keep abreast with new developments in education finance. Some even suggested that CTF host a nation-wide conference on this subject. More "expert" speakers as well as "outsiders" should be invited in the future to provide some variety and non-partisan viewpoints. Most Members feel that the education finance statistics are so useful that they should be provided regularly. The Economics Program is now considering publishing this material on an annual basis. Finally, the most crucial suggestions relate to topics for future seminars. These include cost-benefit analysis of education, returns to education and various models of education finance, from Canada and abroad.

THE 1977 SEMINAR ON EDUCATION FINANCE:
PROBLEMS AND PROSPECTS IN EDUCATION FINANCE

Proceedings of a Seminar
 Held at
 The CTF Building
 Ottawa, Ontario
 April 4-5, 1977

E R R A T A

Due to a consistent procedural error made in the calculation of the coefficients of variation, their values have been consistently underestimated (except in Table 11). Since the underestimation is consistent throughout the whole study, the findings and conclusions on the inter-provincial relationships and national trends remain valid. We apologize for the inconvenience.

The corrected coefficients of variation should read as the following:

Table 1

<u>Population Age 5-19</u>		<u>Population Age 20-24</u>	
<u>Year</u>	<u>Coefficient of Variation</u>	<u>Year</u>	<u>Coefficient of Variation</u>
1955	11.15%	1955	6.89%
1960	12.28	1960	6.44
1965	8.94	1965	8.36
1970	7.12	1970	5.78
1975 ^e	7.32	1975 ^e	4.20

Table 2

<u>Year</u>	<u>Coefficient of Variation</u>
1966	18.02%
1970	21.05
1975 ^e	21.32

In Table 3 for the year 1965 under Quebec, the figure should read "1,880". The coefficients of Variation are as follows:

Table 3

<u>Year</u>	<u>Coefficient of Variation</u>
1950	28.77%
1955	29.58
1960	25.66
1965	23.59
1970	21.74
1971	21.12
1972	19.88
1973	19.51
1974	18.52
1975	17.57

Table 5

<u>Function</u>	<u>Coefficient of Variation</u>
General Government	29.59%
Protection of Persons and Property	21.29
Transportations and Communications	26.46
Health	14.29
Social Welfare	17.20
<u>Education</u>	
- Elementary and Secondary	16.45
- Post-Secondary	22.04
- Special Retraining Services	99.60
- Other	83.08
- Total	17.48
Natural Resources	49.72
Agriculture, Trade, Industry and Tourism	72.20
Environment	33.32
Recreation and Culture	26.88
Labour, Employment and Immigration	122.34
Housing	112.54
Debt Charges	41.05
Other	60.07
Total	18.38

Table 6

<u>Level and Year</u>	<u>Coefficient of Variation</u>
Elementary and Secondary	
1970	10.13%
1973	7.77
Post-Secondary	
1970	23.55
1973	19.74
Special Retraining Services	
1970	89.66
1973	87.00
Other	
1970	75.64
1973	69.28
Total	
1970	7.24
1973	5.22

Table 9

<u>Year</u>	<u>Coefficient of Variation</u>
1960	30.93%
1965	29.27
1970	22.50
1971	20.65
1972	19.07
1973	17.36
1974	15.47
1975 ^e	17.65

Table 10

<u>Year</u>	<u>Coefficient of Variation</u>
1960	18.67%
1965	13.40
1970	10.67
1971	7.82
1972	6.28
1973	8.35
1974	9.85
1975 ^e	15.43

Table 11

<u>Year</u>	<u>Coefficient of Variation</u>
1965	34.82%
1970	16.75
1971	17.00

Table 11 (cont'd)

<u>Year</u>	<u>Coefficient of Variation</u>
1972	15.44%
1973	16.76
1974 ^P	15.98

Table 12

	<u>Coefficient of Variation</u>
<u>Educational Need</u>	
1965	8.94%
1975 ^e	7.32
<u>Educational Burden</u>	
1966	18.02
1975 ^e	21.32
<u>Financial Ability</u>	
1965	23.59
1975 ^e	17.57
<u>Spending per Pupil</u>	
1965	29.27
1975 ^e	17.65
<u>Index of Effort</u>	
1965	13.42
1975 ^e	15.35

Canadian Teachers' Federation,
110 Argyle Avenue,
Ottawa, Ontario.
K2P 1B4

October 17, 1977.
/11

ISBN 0 88989 031 5